



WORLD TRADE ORGANISATION

WTO deal in Bali

The 9th WTO Ministerial Conference was held in Bali, Indonesia from 3 to 7 December 2013. After a fraught series of meetings, there was a last-minute deal on several areas, including food security and Least Developed Countries (LDCs) such as Kiribati, Samoa, Solomon Islands, Tuvalu and Vanuatu.

A major aspect of the agreement on food security is an interim mechanism improving flexibility on public sector stocking of food for developing country members. In the face of the increasing frequency and intensity of food price shocks (especially in 2007/8), this may provide some degree of national-scale food security when prices peak again. However, the Bali text emphasises that national food stocking policies may not 'adversely affect the food security of other Members'² and reporting requirements mean that the emphasis is on the developing country 'to prove that its stock-holding program is not "trade distorting"'.³ Given these complex requirements, how this new food security measure will actually be used remains to be seen.

Important LDC issues include instruction to the WTO Council for Trade in Services to establish steps to operationalise a waiver for service sector liberalisation. This commits WTO members to try to develop an effective system of preferential treatment to LDC service sectors in the context of their limited levels of international competitiveness. This may be of use to Pacific Island LDCs in their negotiations with Australia and New Zealand as the Ministerial Declaration states that 'Members, in their individual capacities, are encouraged at any time to extend preferences to LDCs' services and service suppliers'. In addition, WTO members pledged to offer LDCs improved levels of flexibility on preferential rules of origin (RoO).⁴ This may offer a hook for the reframing of the EU and other countries' RoO under their Generalised System of Preference schemes for LDCs, such as making them less strict and more development-friendly.

The Bali deal may represent a renewal of faith in the WTO after over a decade of negotiations under the Doha Round (which remain stalled) and on-going macro-regional free

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trade agreement negotiations, such as the Trans-Pacific Partnership Agreement, which effectively bypass multilateral negotiations at the WTO. Some projections indicate that the trade facilitation components of the agreement have the potential to boost world trade and increase global GDP by up to US\$1 trillion.⁵ However, the Bali deal may also represent a harvest of low-hanging fruit from the Doha Round and future negotiations may continue to face stalemate, especially on agriculture and non-agricultural market access.⁶

US to strengthen dolphin-safe tuna rules to comply with WTO ruling

Following long-standing contention over the US approach to dolphin-safe tuna, in May 2012 the WTO appellate body found that the US measure granted Mexican tuna products less favourable treatment. The body ruled that to comply with WTO rules, the US was required to reform its dolphin-safe measures so that they apply evenly to all fishing techniques and regions,⁷ and was given one year to respond to the decision.

In mid-2013, the US National Oceanic and Atmospheric Administration (NOAA) ruled to comply with the WTO decision by strengthening the US Dolphin Safe Tuna label. NOAA indicated that the Dolphin Protection Consumer Information Act (which specifies how the US Dolphin-Safe label should be used) prohibits the use of the label on tuna caught by boats deliberately chasing and encircling dolphins with purse seine nets. The new ruling, which went into effect in July, requires that any canned tuna sold in the US with a US dolphin-safe label must have certification that no dolphins were killed or seriously injured in the process, no matter what gear type was used or where the tuna was caught. This change responds to the WTO's determination that the previous rule applied only to tuna caught using large purse seine nets in the EPO. The ruling includes a period of education and outreach to provide the industry with additional guidance on enforcement through July 2014. According to NOAA, by applying the same certification requirements internationally and to all types of gear, the rule addresses the WTO ruling without weakening the label's intentions.⁸

This outcome – if it stands – would mean that all producers will have to comply with the terms of the new regulation to affix the label to its products for sale in the US market. This is likely to have implications in the WCPO where dolphin interactions occur, despite that dolphins are not deliberately targeted for sets.⁹ Mexico had been hoping for a rollback of the labelling

Bali package gives developing countries improved flexibility on food security measures and LDCs some minor concessions

The Bali deal may represent either a renewal of the WTO or an easy harvest in troubled times for the multilateral trading system



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programme and formally filed a request for a 'compliance panel' at the WTO, citing a series of areas where it alleges that the US has either failed to comply with the WTO ruling or is otherwise in violation with trade rules.¹⁰ The US used a one-time option to stop the dispute settlement process, but Mexico has the option of making a second request, which under the WTO rules can not be blocked by the US.¹¹ This appeal for sanctions turns attention back to the WTO, which will have to decide, likely in January 2014, if it will accept the NOAA policy as meeting the stipulations of the WTO ruling.¹²

The ongoing tuna-dolphin legal process, in combination with the documented dolphin interactions in the WCPO, has implications for procedures certifying tuna as dolphin-safe, particularly around observer coverage. Earth Island Institute, the US-based organisation, has long offered a monitoring programme that vessels use to qualify for the US Dolphin Safe label. EII publically supported the new NOAA regulations,¹³ and reports that it offers the largest private environmental monitoring programme in the world and that more than 90% of the world's tuna companies adhere to its standards.¹⁴ The US government's continued commitment to the Dolphin Consumer Protection Act is highly significant for the ongoing relevance of the EII process.

However, recent debates have called into question the strength of the EII monitoring programme, and several groups, including the PNA countries deploying the Pacific brand for MSC canned tuna, have begun to call the efficacy of EII's scheme into question.¹⁵ Recent debates have intensified because the new NOAA rule enhances the requirements for authorisation and reporting from an on-board observer. At the 2013 Pacific Tuna Forum, an EII representative claimed that EII offers observer coverage. Pacific Island country government officials publically questioned this claim, and more broadly, if EII will have the capacity to administer the new requirements. This uncertainly raises questions about what form new US dolphin-safe procedures will take.¹⁶

FISHERIES REGULATION

EU bans fisheries imports from Belize, Guinea & Cambodia

The European Commission (EC) has proposed trade sanctions against Belize, Guinea and Cambodia, following their failure to heed a formal warning issued one year ago to establish effective fisheries management and control measures to combat illegal fishing. Imports of fisheries products to the

US Dolphin-Safe label modification prohibit any dolphin deaths or serious injuries no matter the gear type or fishing location

The new ruling enhances the role of on-board observers in monitoring, raising questions about the form new procedures will take



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European Union from these offending countries will be banned following ratification by the European Council. This marks the first occasion the EC has enacted its regulation against third countries deemed to support non-sustainable fishing (EC Reg. 1026/2012).¹⁷ While these countries are not major fisheries exporters to the EU (combined €10 million/year),¹⁸ this sets a serious precedent for other more significant third country exporters of fisheries products to the EU, including Pacific Island countries.

Fiji, Vanuatu, Panama, Sri Lanka and Togo received formal warnings ('yellow cards') last year, but with assistance from the EC have reportedly made considerable progress in improving legislative, monitoring, control and inspection systems. Dialogue with the EC has been extended until February 2014, with progress to be evaluated next spring.

'Yellow cards' were also issued to South Korea, Ghana and Curacao in November – these countries must now implement corrective actions to resolve shortcomings and avoid potential future trade sanctions. Both South Korea and Ghana are notable players in the global tuna industry and if deemed to be 'non-cooperating' third countries by the EC, this could have disastrous impacts on their respective industries. South Korea, Ghana and Curacao exports combined exceed €200 million/year.

EU Commissioner for Maritime Affairs and Fisheries, Maria Damanaki has warned that her intention is to continue to put pressure on the countries supporting unsustainable fishing and her attention is now turning to the Pacific Islands region. She warns "*West Africa was identified as a major source of illegal fishing and my intention is to now take the same thorough approach in the Pacific.*" In addition to Fiji and Vanuatu, other Pacific Island countries can expect to come under the close scrutiny of DG MARE in the near future. FFA has already been providing technical assistance to a number of member countries to prepare for this.

Greenpeace exposes global tuna longline fisheries failures

Greenpeace has released a report '*Out of Line – the failure of the global tuna longline fisheries*' which sheds light on the negative environmental and social impacts of the global tuna longline fishing industry.¹⁹ The NGO criticises RFMO's for failing their mandate to ensure sustainable management of

South Korea and Ghana have been issued 'yellow-cards' for being non-cooperating and risk losing EU market access

EU Commissioner Damanaki has warned that attention on non-sustainable fishing will now be turned to the Pacific Islands



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tuna fisheries, particularly the longline fishery. Unlike the purse seine fishing industry which is becoming better regulated and managed over time, according to Greenpeace, the longline fishing industry is largely still operating outside of modern fisheries management due to resistance from flag states and industry to properly regulate and manage this fishing sector. Sustainability standards have also not yet reached the longline supply chain. Key negative issues highlighted in the report include overfishing and subsequent depletion of target species, incidental by-catch of vulnerable and endangered species (i.e. turtles, sharks and seabirds,) illegal fishing and transshipment activity, as well as serious mistreatment of vessel crew members.

While it is difficult to obtain accurate vessel numbers, it is estimated that over 5,000 longline vessels are fishing globally. In recent years, despite a reduction in large-scale distant water longliners (largely due to capacity reduction efforts and profitability constraints), there has been a significant expansion in smaller longliners (<24 metres), due to less stringent vessel licencing and fisheries management rules, as well as substantial advances in technology, which have made these vessels as effective as large-scale longliners, and more competitive due to lower operating costs.

Greenpeace highlights that there are very few management measures at the RFMO level to ensure legal and sustainable longline operations, with poor monitoring, control and surveillance for longliners in high seas and developing coastal state EEZs. Transshipment at sea is identified as a major regulatory loophole that facilitates the laundering of IUU catches worldwide, with no RFMO yet fully prohibiting the practice of high seas transfer of catches from longline vessels. The mandated observer coverage on longliners is low – generally 5% – however, actual rates are usually lower due to ineffective implementation by flag states, inadequate conditions on board vessels and/or resistance from vessel owners. National and RFMO-level provision of operational data is also inadequate. The devastating effect on marine species other than tuna is also highlighted, with discards as high as 20-40%.

Conditions on tuna longliners are reportedly very bad for crew and observers, with reports of violence, dire working and living conditions, low or withheld pay, as well as some cases of human trafficking and modern-day slavery.

Attention is drawn to the power of tuna traders in the longline

**Greenpeace
says the
global longline
industry is
operating
outside of
modern
fisheries
management
due to flag
state and
industry
resistance**

**Longline
transshipment
at sea is a
major loophole
facilitating
laundering of
IUU catches**



tuna supply chain (Mitsubishi, FCF, Itochu and Tri Marine) – for sashimi-grade tuna species, as well as canning grade longline-caught albacore. Greenpeace indicates that given the highly concentrated nature of the tuna trading sector, a large portion of profits are concentrated in tuna traders' hands, which also gives them considerable control. Greenpeace urges traders to only deal with fishing companies fulfilling transparent environmental and social sustainability criteria.

Greenpeace encourages all players in the tuna longliner sector to play a role in achieving long-term sustainability and identifies a number of solutions to address the failures of the longline fishing industry, including:

- Reduce fishing capacity and enforce sustainable catch limits.
- Ban all at-sea transshipments.
- Ensure proper monitoring and 100% observer coverage (human or electronic).
- Mitigate by-catch – non-targeting of sharks and bans on shark-finning, use of selective fishing gear and other best practice mitigation methods.
- Closure of vulnerable areas to all fishing areas such as the Pacific high seas enclaves.
- Trading companies to ensure legal, sustainable and traceable supplies of longline-caught tuna.
- Coastal states to strengthen national legislation for longliners operating within EEZs and grant priority fishing access according to environmental and social criteria.
- Ensure ILO labour standards are met for fair treatment of crew.

The Greenpeace report comes at a time when there are widespread, but largely ignored, calls for stronger management of the South Pacific albacore and tropical longline tuna fisheries in the WCPO. In the absence of strong traction in this area at the RFMO level, it is expected that Greenpeace and other NGOs will increasingly focus their attention on global longline fisheries and lobby for improvements in sustainable management.

A small number of tuna traders have considerable control over the longline tuna supply chain and have the ability to influence improvements in the sector



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FISHERIES DEVELOPMENT

Global Partnership for Oceans advised on investment selection criteria

The Global Partnership for Oceans (GPO), a coalition of over 140 governments, international organisations, civil society groups (e.g. MSC, WWF), and private sector interests, was launched in 2012. Led by the World Bank, membership includes FFA, PIFS, individual PIC governments (Fiji, Kiribati, Marshall Islands, Palau, Samoa and Tuvalu), other regional players such as Australia and New Zealand, and advocacy organisations and foundations involved in Pacific tuna issues. The GPO's main objectives are to mobilise finance and knowledge in order to, by 2022:

- increase production from sustainable fisheries and aquaculture
- reduce 'open access' fisheries 'by creating responsible tenure arrangements'
- rebuild overfished stocks
- halve natural habitat loss by applying ecosystem-based management
- increase marine managed and protected areas
- reduce pollution

Early efforts to define GPO objectives are likely to influence the form that policy interventions in ocean resources – by the World Bank and others – will take in coming years. A key challenge for achieving the GPO's highly ambitious agenda is determining the socio-ecological and economic principles that will guide GPO initiatives and investments.

To this end, the World Bank and GPO partners selected eminent oceans specialists to form a 'Blue Ribbon Panel' tasked with establishing principles that will guide the selection and prioritisation of GPO investments. The Pacific and the tuna sector were well represented on the panel of 21, which included: Tuiloma Neroni Slade, PIFS Secretary General; the PNA Secretariat's Transform Aqorau; Thiraphong Chansiri of Thai Union Foods; and Chris Lischewski of Bumble Bee Foods. The panel was also supported by a group of advisors that included Susan Jackson of the International Seafood Sustainability Foundation. The Panel agreed to the following five principles, which were published in an investment guidance document entitled, *Indispensable Ocean: Aligning Ocean Health and Human Well-Being*:

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- Principle 1: Sustainable livelihoods, social equity and food security;
- Principle 2: Sustainable use of marine and coastal resources;
- Principle 3: Effective governance systems at all scales;
- Principle 4: Long-term financial viability based on evaluation of risks and building of resilience; investments should 'become self-sustaining and not remain dependent on continued financial or economic assistance';
- Principle 5: Capacity building and innovation, e.g. science-based approaches, new technologies, new management techniques.

The Panel wisely points out that '[a]pproaches that are sectoral and do not take into account social, political, and ecological interrelationships can only deliver incremental and fragmented solutions insufficient to meet the web of challenges confronting ocean health'. Laudably, the Panel also warns against 'one-size-fits-all' approaches and recognises the diversity of socio-ecological and economic challenges in the global ocean and that 'economies and governance systems ... vary greatly in capacity'.

However, significant challenges remain, particularly around 1) translating general principles into sector- and place-specific action and 2) concretely defining 'partnership' as the centre-piece of GPO action. A few examples from the Panel's Principles are illustrative.

Principle 1 emphasises local job creation, but does not detail the quality of employment and working conditions. This is particularly important since there is growing attention to poor labour conditions in the sector, including seasonal/precarious work, lack of representation for fishworkers and the use of forced and child labour in seafood and ocean-related sectors such as shipping. Poor working conditions in ocean sectors are closely related to private-sector players' profit motives, while coastal states seek to create much-needed employment opportunities.

Principle 3's focus on 'effective governance systems' speaks primarily to public governance capacity as playing a central role in creating conditions for ocean improvements. Less explicit is the , governance of private interests, which the Panel does not elaborate as a component of Principle 3's scope. The Panel calls for 'governance frameworks that are

**While
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every-day,
sector-specific
practice, raises
important
tensions**



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equitable and fair to all stakeholders' and on 'public and private sectors [to]... share responsibilities and rights in using and protecting ocean resources'. This egalitarian objective is laudable, but in practice, might present conflicts with established provisions in fisheries management organisations and other sites of international law – such as trade policy – that commit managers to acknowledging and acting to give special attention to the ecologic, geographic and economic vulnerability of small, poor and less powerful states (as in the WCPFC convention text). These provisions have been built in to reflect that EEZs are state property, and that private sectors and foreign interests should not share the same rights to the oceans and their resources as coastal states.

Principle 4 pushes for investments that are viable in the long-term to create 'measurable and sustainable' impact, rather than on-off interventions. Here the Panel emphasises the use of financial tools to evaluate returns on investment, the net present value of the resource or problem in question, and the benefits, costs and range of risks associated with an investment. The Panel recommends investments that create assets that can be invested in or securitized and that hold potential to be self-sustaining. Further, it the 'internalization of all environmental goods and services costs' in order to offer a fuller accounting of costs in ocean sectors that currently exist but that are 'invisible' to standard economic analysis. This approach draws attention to the fact that fisheries and other ocean industries are already a part of the modern financial system and encourages further use of financial instruments to create incentives for investment that rely on the long-range health of the oceans. However, the Panel does not make specific reference to how financialising ocean investments might be linked to, or delinked from, local-level food security, economic development and access objectives.

To date, the funding sources for initial GPO investments have not yet been elaborated, though the World Bank has been increasing its funding for fisheries and oceans related projects. PICs are likely to remain central to the development of GPO initiatives and in doing so will have to remain vigilant to the extent to which abstract principles of policy and their underlying assumptions translate into real-world practices.

PICs will have to work to ensure that GPO policy principles and their underlying assumptions translate into beneficial real-world practices



FISHERIES MANAGEMENT

*WCPFC 10 Outcomes*²⁰

The Tenth Regular Session of the Western and Central Pacific Fisheries Commission (WCPFC10) was held in Cairns, Australia from 2-6 December. This meeting was attended by around 450 delegates representing commission members, cooperating non-members, participating territories and observers.

The most significant and contentious agenda item was the conservation and management measure (CMM) for tropical tunas (bigeye, yellowfin and skipjack). Following a series of intense small working group meetings, agreement on a measure was reluctantly reached by members on the final day (CMM 2013-01).

CMM 2013-01 introduces additional purse seine FAD measures for 2014-2017 to reduce mortality of juvenile bigeye. For 2014, a fourth month FAD closure in October was agreed, in addition to the existing three month FAD closure from July-September (or as an alternative, a limit on the total number of FAD sets, set against a 2010-2012 average baseline). In 2015 and 2016, the FAD closure is extended for an additional two months (i.e. a total five month FAD ban for July, September, August, plus January and February), subject to the disproportionate conservation burden on small island developing states (SIDS) being adequately addressed. For 2017, a five month FAD closure will apply, as well as a total ban on FAD sets in the high seas. Purse seine fishing effort within EEZs will continue to be managed under the PNA's Vessel Day Scheme, and high seas purse seine fishing day limits will apply for the first time in 2014.

In the longline fishery, further reductions in bigeye catch limits of 5-30% will apply to non-SIDS for 2014-2017. A capacity freeze for non-SIDS large-scale purse seine vessels (>24 metres with freezing capacity) and longline vessels targeting bigeye (both freezer and ice-chilled) was also agreed. SIDS and Indonesia are exempted from the capacity measure to enable the continued development of their domestic fleets (note: Indonesia is the WCPFC's newest commission member, ratifying the WCPFC Convention on 29 November 2013).

There are several elements of CMM 2013-01 which remain contentious between members – measures to address the disproportionate conservation burden borne by SIDS, high seas FAD closure, high seas purse seine fishing effort limits and longline bigeye catch reduction levels. As such, the elements agreed in the measure will be reviewed again at the 2014

**WCPFC
members
reluctantly
agreed to a
weak tropical
tunas measure,
which will be
reviewed again
in 2014**



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annual session. A number of Commission members, particularly FFA members, together with NGOs, were disappointed with the outcome and consider the new measure weak in that it does not adequately address the objective of reducing Bigeye tuna overfishing, given the compromises made to reach agreement. PNA members have warned that if WCPFC fails to continue to agree on effective management measures, they will take action by introducing stronger measures within their EEZs and will then push for compatible measures to be applied in the high seas.²¹

A draft revised CMM for South Pacific Albacore was tabled by most FFA members, proposing a limit on longline vessels targeting South Pacific albacore south of the equator, as well as interim high seas catch limits. The proposal was supported by most FFA members and participating territories which are economically dependent on this fishery. However, China failed to support the measure on grounds that the stock is being fished at below the current maximum sustainable yield estimate (despite catches being below maximum economic yield for most fleets), and advised that the Chinese Government has implemented a cap on new vessels under construction to 400. This outcome was very disappointing for FFA members and participating territories, whose domestic longline albacore fisheries are suffering greatly from competition from heavily subsidised Chinese fleets. Members are hopeful a revised CMM for South Pacific Albacore will be agreed at WCPFC11. Meanwhile, American Samoa longline fishing companies have warned that they may have no choice but to sell their vessels and exit the fishery, as they can no longer operate economically and Fiji's fleet also warns the industry is facing financial collapse.²²

A proposal to close the eastern high seas pocket (EHSP) formed by the EEZs of Cook Islands, Kiribati and French Polynesia was initiated by FFA members. This was a response to compliance issues in the 'special management area' including catch misreporting and transshipment infringements. While later amended to replace a total closure with a ban on transshipment in the EHSP, this proposal was eventually withdrawn due to continued lack of support from some members. In line with a Forum Island Leaders directive, FFA members, led by Cook Islands indicated they will continue to work towards effective controls in the EHSP, including the phasing out of EHSP transshipment.

A new CMM for the non-retention of silky sharks was adopted, given the overfished stock status of this species (CMM 2013-

**China failed
to support
strengthened
management
for South
Pacific
Albacore**



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08). However, members could not agree on a revised measure to strengthen shark conservation, which proposed *inter alia* a requirement for fins to remain naturally attached until landing, a ban on the use of wire leaders and shark lines and formal management arrangements for vessels targeting shark. Despite several attempts by the shark small working group to progress the revised CMM this proposal was subsequently withdrawn and will be re-considered again at WCPFC11.

Several new CMMs were adopted which will help to strengthen compliance and monitoring, control and surveillance in the WCPFC Convention Area. WCPFC10 adopted a Compliance Monitoring Scheme for 2014 (CMM 2013-02) for a fourth trial year. Standards, specifications and procedures for the WCPFC Record of Fishing Vessels (RFV) were adopted to improve the reliability and cost effectiveness of the RFV (CMM 2013-03). From 1 January 2016, all vessels greater than 100 GT operating in waters beyond their national jurisdiction will be required to have a unique vessel identifier (UVI) (CMM 2013-04). Following WCPFC10, vessels operating in EEZs and high seas areas are required to submit daily catch and effort reports, to improve the timeliness and quality of data available for stock assessments and strengthening management measures (CMM 2013-05). Despite three revisions, consensus could not be reached on a proposal for port state measures, designed to fill a gap in Commission members' ability to identify and pursue IUU vessels to non-CCM ports or ports outside of the Convention Area. Discussions on port state measures will continue at TCC10 and WCPFC11. A proposal from the EU (also tabled previously at WCPFC9) on making fisheries access agreements public to improve transparency was not supported by other Commission members, given the commercially sensitive nature of some information contained within the agreements.

Throughout WCPFC10, FFA members reiterated the need for the special requirements of small island developing states and territories to be taken into consideration. WCPFC 10 adopted a new CMM on criteria for considering the impact of conservation and management proposals on SIDS and participating territories (CMM 2013-06). A CMM was also adopted on the special requirements of SIDS and territories with the intention of operationalising Article 30 of the WCPFC convention (CMM 2013-07).

A new CCM for Pacific Bluefin Tuna was adopted (CMM 2013-09) (refer to separate story on this issue).

Decision making by consensus in an RFMO with a large

**WCPFC10
supported
measures
to ensure
the special
requirements
of small island
developing
states and
territories
are fully
recognised**



number of coastal state and distant water fishing members with diverse interests remains very difficult. This may result in stronger in-zone measures being introduced by coastal states into licencing conditions, with compatible measures sought for fishing on the high seas.

Pacific bluefin stock assessment raises alarm bells

A recent stock assessment for Pacific bluefin raised serious concern about the status of the species. Overfishing is occurring, the stock is overfished and after declining for over a decade, spawning stock biomass is at or near its lowest level. The 2010 spawning stock biomass has declined to less than four percent of the stock's estimated unfished levels.²³

Creating a recovery plan for the species is complicated by the highly migratory nature of the species, as well as current fishing and market trends. Pacific bluefin tuna is a single, Pacific-wide stock that is managed by both the WCPFC and the IATTC, with scientific advice provided by the ISC – the International Scientific Committee for Tuna and Tuna-like Species in the North Pacific Ocean. Spawning grounds are in the Western North Pacific; a portion of each cohort makes trans-Pacific migrations to the Eastern Pacific, spending up to several years of the juvenile stage in the EPO before returning to the Western Pacific. Records of landings in coastal Japan date back as early as 1804. A US purse seine fishery targeting Pacific bluefin mainly for canning was fully developed off of Baja California until the early 1980s when the US abandoned fishing grounds after Mexico declared its EEZ. Peak catch for the species was 59,000mt in 1935, while the low total catch was just over 8,600mt in 1990. Catch since 1952 has predominately been comprised of juveniles, and since the early 1990s, the catch of age 0 Pacific bluefin has increased significantly.²⁴

Following from the first stock assessments in the late 2000s, the WCPFC and IATTC introduced conservation and management measures aimed at limiting fishing effort to 2002-2004 levels in the former (though artisanal fisheries and Korea were exempted), and creating a catch limit of 10,000mt during the two year period of 2012-2013 in the latter. Further, Japan has voluntarily introduced domestic regulations aimed at reducing mortality.

Advocacy and industry organisations are drawing attention to the catch and market dynamics underlying the dire stock status and are calling on management bodies to strengthen regulation.²⁵ Particular attention is being paid to Japan's major

The Pacific bluefin stock has declined to only 4 per cent of unfished stock size



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role in catching and consuming the fish. However, advocacy organisations are also pointing to trends in the Eastern Pacific; since the mid-1990s, Pacific bluefin have been enrolled in ranching operations off the coast of Mexico. NGO Pew indicates that the majority of bluefin captured and penned in the eastern Pacific are smaller than 100cm and have not had a chance to reproduce.²⁶ To reverse decline of the population, Pew has called for immediate suspensions of the fishery until the WCPFC and IATTC strengthen their approach to management.

Pacific bluefin were on the agenda at WCPFC10 and a new Conservation and Management Measure calling for a 15 percent reduction in mortality for 2014 and deleting the exemption for the Korean artisanal fleet was adopted. In the coming year, the Northern Committee will develop a rebuilding programme for the species, including continued debate over reference points.²⁷

TUNA MARKETS

WCPO canning-grade raw material prices continue to fall

The last six months of 2013 has seen prices for canning grade skipjack and yellowfin sourced from the WCPO decline markedly. In October 2012, the Bangkok skipjack price peaked at around US\$2,300-\$2,400/mt. For the first half of 2013, the skipjack price remained strong, exceeding \$2,000/mt. However, in June 2013, the price dropped to around \$1,800/mt. Since then the skipjack price has continued to decline to \$1,500-\$1,600 in December 2013 and is expected to continue to fall to around \$1,400/mt in January 2014. For the first time since August 2011, the yellowfin price dropped below US \$2,000/mt to \$1,800/mt in November and \$1,600/mt in December 2013.²⁸ (For a comparable trend using a different data base, see first figure in Tuan Price Trends below.) The decline in canning grade raw material prices is due to oversupply, given exceptional fishing conditions in the WCPO in recent months, as well as weak demand from buyers.

Typically, canning grade prices are lowest in the first quarter of the year, when demand is not so strong (particularly from European markets during their winter months). In the second and third quarters prices generally strengthen when fish supplies from the WCPO tighten due to the three-month FAD ban (which will expand to four months in 2014) and buyer demand strengthens. In the fourth quarter, prices typically remain buoyant as processors gear production towards the EU and US single duty loin quotas.

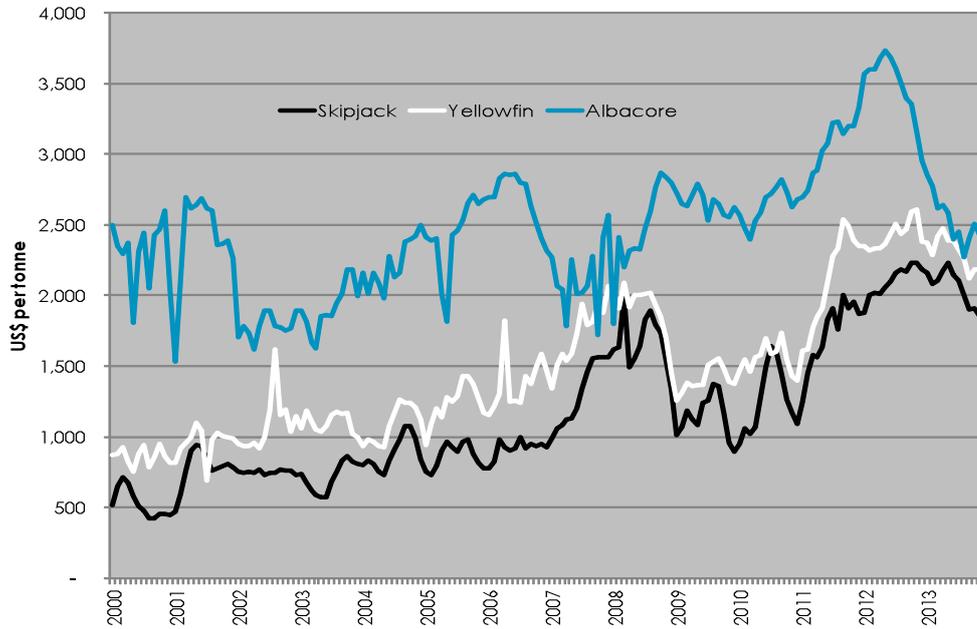
Pacific bluefin were on the agenda at WCPFC10, but advocacy organisations want more action

Canning grade tuna prices have fallen significantly in the second half of 2013 due to oversupply and weak demand

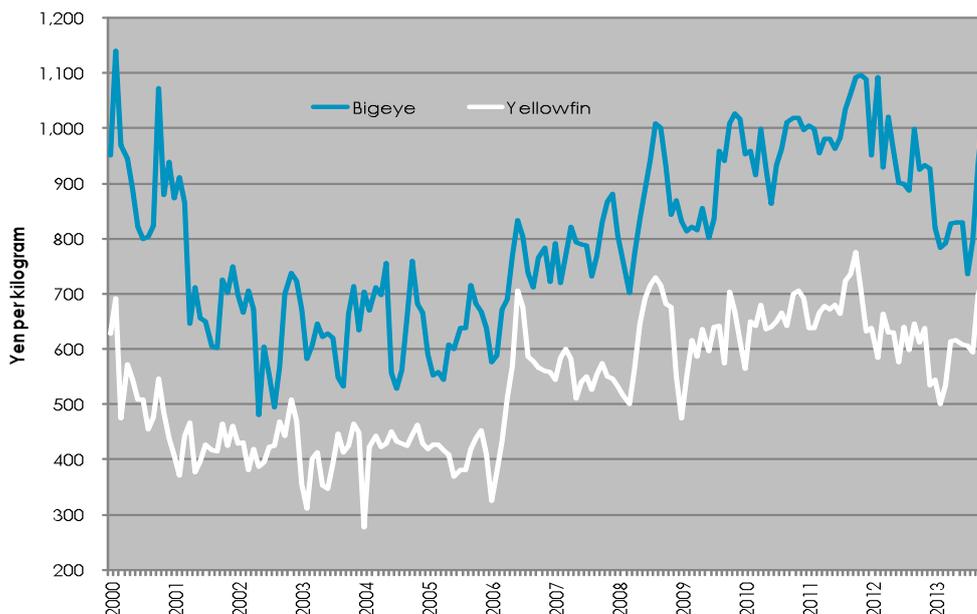


TUNA PRICE TRENDS²⁹

Bangkok canning-grade prices to November 2013³⁰

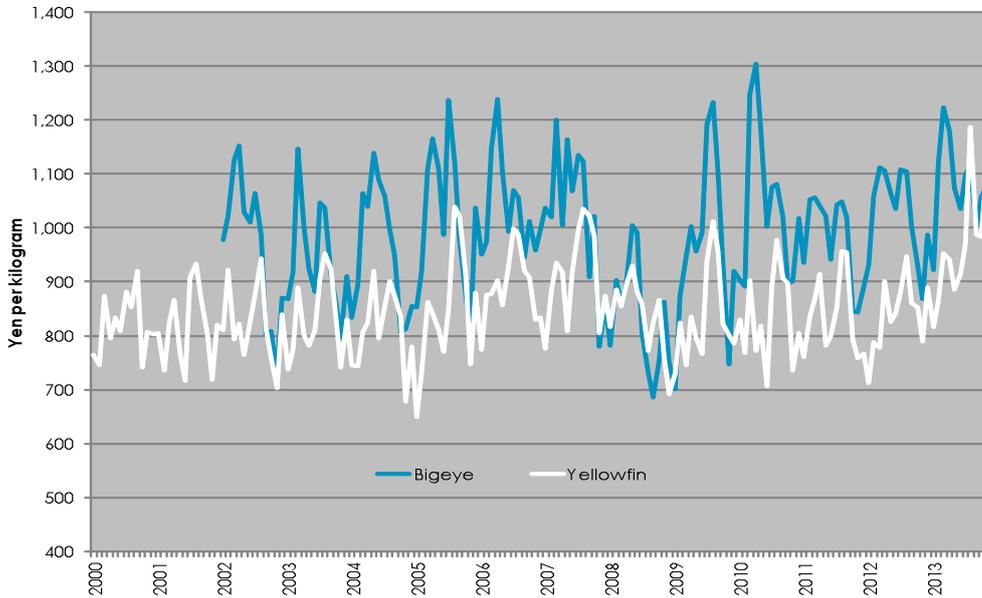


Japan frozen sashimi prices (ex-vessel, Japanese ports) to October 2013³¹

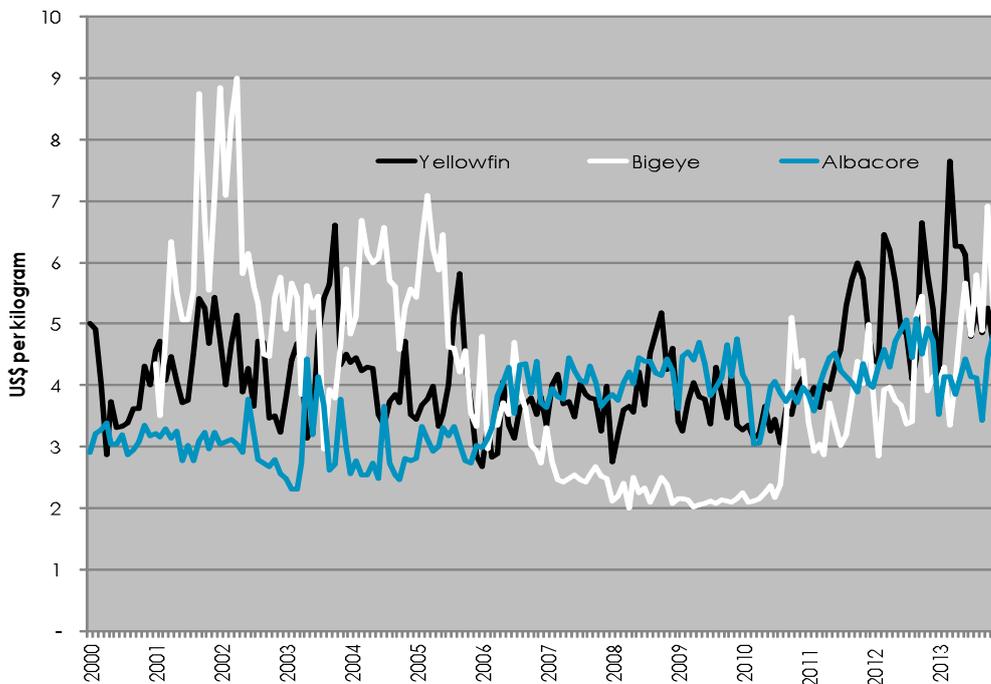




Japan fresh sashimi prices (origin Oceania) to November 2013³²

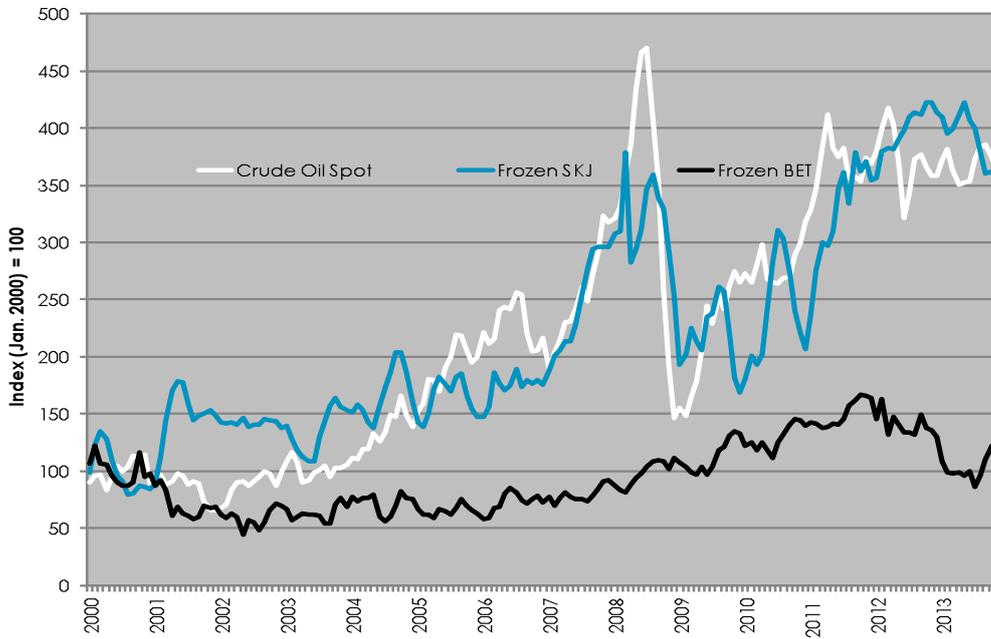


US imported fresh sashimi prices to November 2013³³





Crude oil, canning-grade frozen skipjack (SKJ) and frozen bigeye (BET) price index to November 2013³⁴





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