



FISHERIES TRADE

Coronavirus puts WTO negotiations on ice; Chair launches draft fisheries subsidies prohibition

The 12th Ministerial Conference of the WTO (MC12) was scheduled this June in Kazakhstan but has been suspended due to the coronavirus pandemic. The main anticipated outcome of MC12 was a Fisheries Subsidies Agreement (FSA). Many leading WTO Members continue to work actively on technical aspects of the FSA negotiations using video conferencing, including the Pacific Group of six WTO Members and the ACP Group. But formal multilateral negotiations were not being pursued from late March onwards due to lock-down in Geneva, international travel restrictions and the need for governments to concentrate on fighting the pandemic.²

Many WTO Members are pushing for an FSA outcome at a special session of the WTO General Council at the end of year as this would allow members to meet the 2020 deadline for Sustainable Development Goal (SDG) 14.6. It would also maintain negotiating momentum. Negotiators were largely on track to agree to prohibitions, both for subsidies to IUU fishing and for fishing on overfished stocks. These two prohibitions are more closely linked with the *environmental* effects of fisheries subsidies and, aside from some important technical details, there is overarching agreement on the principles.

However, considerable divergence remains among Members on fisheries subsidies which contribute to overcapacity and overfishing (OCOF). A serious lack of progress on this prohibition makes the completion of negotiations by the end of 2020 unlikely. The OCOF prohibition has far greater implications for the *commercial* aspects of fisheries, including for the Pacific Group. To date, the Pacific Group has been working within the ACP to advance proposals ('room documents') to other WTO members. Three ACP room documents were released in February 2020 on the Scope of the Agreement, on IUU, and on OCOF.³

Red lines for the Pacific Group include any erosion of sovereignty or sovereign rights under UNCLOS and the defence of fisheries access arrangements. For the latter, two situations need to be distinguished: (1) coastal state supports to its own vessels through licensing arrangements; and (2) coastal state arrangements with the vessels of a DWFN. In the context of the FSA, there are currently three sources of risk to the Pacific Group's use of access arrangements to maximise net benefits from the regional fishery:

1. If a 'cap' on fisheries subsidies is negotiated, the costs of fishing access may be included, which could force coastal states to charge higher fees to local vessels;
2. If a national fishery is not sustainable, the Overfished Stocks or OCOF prohibitions will be triggered and the subsidy may need to be removed;
3. If the proposal is successful for a ban on all subsidies to fishing that is 'contingent upon' fishing in 'areas beyond national jurisdiction' (ABNJ), it may force the withdrawal of flag state subsidies to access arrangements and in turn, lower the price DWFNs are willing to pay for access.

The Pacific Group is asserting the red line that payments of licensing fees or reduced licensing fees for wild marine capture fishing, set in accordance with the principles of UNCLOS, for vessels within the EEZ of that Member are not subsidies. In particular, fisheries access and licence fees should be excluded from any monetary cap on fisheries subsidies. These are not Pacific-specific issues; many other WTO Members would be adversely impacted by their inclusion.

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Fisheries Subsidies Agreement may be pushed at special session of WTO in end-2020, but seems unlikely

The Chair of the negotiations released a draft text on 9 March 2020 which seeks to chart a way through negotiations on the OCOF prohibition.⁴ The Chair's text is intended to narrow the range of options WTO members are considering. Depending on need, he may also provide draft language at a later date on a 'cap' of subsidies, a positive list of non-harmful subsidies (or 'green box') and on S&DT. The Chair's draft text tries to reflect a combination of the Canada and New Zealand/Iceland's effects approach with the ACP list of prohibited subsidies as well as the complementary approaches targeting DWFNs for subsidies contingent on fishing in areas beyond national jurisdiction (ABNJ) and subsidies to flags of convenience (FOCs). Members remain divided on the approach and a hybrid approach combining the list and effects could provide a compromise.

EU plans to reform its GSP by 2024 and opens public consultation

The European Commission plans to propose reforms to the EU's Generalised System of Preferences (GSP) Regulation to replace the current system when it expires at the end of 2023. In the lead up to this, the European Commission is holding a public consultation on GSP reform, which is open to submissions from non-EU businesses and government agencies. The consultation closes on 3 June 2020 and is currently available [here](#).⁵

The EU's GSP is of major commercial importance to the Pacific islands' tuna industry for two reasons. First, it currently gives Solomon Islands duty free access to the EU for tuna loins under the Everything But Arms initiative (EBA) pillar for LDCs. Second, if competitors become beneficiaries of the GSP+ it will erode the preference advantage under the EU-Pacific Interim Economic Partnership Agreement (IEPA), especially for PNG's canned tuna exports, but also for the Solomon Islands now that it is acceding to the IEPA.⁶ In early May, the Solomon Islands signed its accession document and deposited it electronically through its mission in Brussels. It is anticipated that provisional application will commence from 17 May and that the Solomon Islands will submit a request for global sourcing rules of origin for canned tuna and pre-cooked frozen tuna loins when the agreement comes into force.⁷

Preference erosion via EU GSP Regulation reform happened in December 2014 when the Philippines began to use the GSP+. In particular, the Philippines gained duty-free access for its canned tuna exports to the EU due to changing parameters for countries to access the GSP+ pillar. This has been controversial because of questions around the Philippines compliance with labour standards, including in its tuna industry. This is an area that EU monitoring processes identified as requiring 'attention' and that various trade union bodies and even the International Labour Organisation have highlighted as being a source of 'deep concern'.⁸ Pacific Island governments and industry may wish to monitor and engage in the current reform process, especially in PNG and the Solomon Islands.

FISHERIES REGULATION

Temporary WCPO COVID-19 exemptions for observers and in-port transshipment

Given strict travel restrictions, flight cancellations and port closures put in place to control COVID-19, WCPO tuna purse seine vessel owners have experienced difficulties sourcing and repatriating observers and transshipping catches.

WTO fisheries subsidies Chair drafts text on overcapacity and overfishing prohibition

GSP reform may further erode PNG and Solomon Islands tuna preference

In an effort to manage concerns regarding the health and safety of observers and crew on fishing vessels, while minimizing disruption to purse seine vessel operations, on 27 March, FFA and PNA members agreed to a temporary exemption of the 100% observer coverage requirement for purse seine vessels operating within their EEZs. This exemption became effective immediately until 31 May for new fishing trips, with the possibility of an extension if travel restrictions remain in place. Purse seine vessels are required to have a properly functioning vessel monitoring system (VMS) which provides automatic and regular reports on the vessel's position. Vessel operators are also responsible for the repatriation of observers to their home port.⁹ Following calls from FFA, PNA and other WCPFC members, on 8 April the WCPFC Chair communicated that WCPFC members agreed to apply a compatible temporary purse seine observer exemption to the entire WCPFC Convention Area, which covers both EEZs and high seas areas.¹⁰

With several major Pacific Island ports closing to foreign vessels, notably Marshall Islands, Tuvalu, Federated States of Micronesia and Kiribati, interruptions have also been experienced by purse seine vessels needing to tranship catches on to carriers. To address this, from 20 April, WCPFC permitted purse seine transhipments to be conducted at sea in areas designated by individual Pacific Island port states in accordance with domestic laws and regulations.¹¹ This follows suit from a decision made by FSM Government, effective 3 April, to establish a designated transhipment area in territorial waters beyond three nautical miles to enable purse seine transhipments to still be conducted, while at the same time minimizing COVID-19 transmission risks to FSM citizens.¹²

In response to national governments and RFMOs relaxing observer requirements (and also high seas boarding and port inspections in some jurisdictions), nineteen NGOs have jointly cautioned against the relaxation of monitoring, control and surveillance regulations becoming permanent artefacts of the COVID-19 pandemic. The group has highlighted that technological solutions, including electronic monitoring, together with stricter reporting requirements, will maintain good oversight of vessel operations, while minimizing health and safety risks to observers and vessel crews.¹³

FISHERIES DEVELOPMENT

Proposed Solomon Islands fisheries port development for Malaita gains momentum

A feasibility study is currently underway in Solomon Islands for the construction of a wharf and associated infrastructure to facilitate the siting of proposed tuna processing facilities at Bina Harbour in West Kwaio, Malaita Province. Solomon Islands' Ministry of Fisheries and Marine Resources (MFMR) has identified Bina, a greenfield site, as the preferred location for Solomon Islands' second onshore fisheries processing facility after Noro in Western Province. Malaita currently has the highest population of the ten provinces in Solomon Islands at 160,000 and is projected to grow to 167,000 by 2025.¹⁴ It is also one of the least developed provinces with its one major export industry, logging, evincing serious environmental and social sustainability concerns.¹⁵

The onshore processing of tuna in Solomon Islands is seen by MFMR as a means of not only benefiting Malaita, but also enabling the country to capture an increased share of the economic benefits from its tuna resources. MFMR has requested the assistance of the International Finance Corporation (IFC) to explore economic opportunities in the fisheries sector. IFC has agreed to prepare a concept plan and feasibility study covering construction of the necessary wharves and infrastructure, as well as the economic aspects of fish processing at the site.

WCPO purse seiners are exempted from carrying observers and can tranship at sea in areas designated by PICs until 31 May



The idea of using Bina as a base for tuna fishing and processing has been discussed in Solomon Islands for over two decades. In the late 1990s, the Asian Development Bank funded a study to determine the feasibility of the area as a site for fish processing. The impetus for the project was, and continues to be, the need to provide sustainable employment on Malaita. At the time, a broadly successful model of fishing port development by Japanese-run Solomon Taiyo Ltd existed at Noro, Western Province and created a strong desire to see similar development in Malaita Province. A determination of the site's suitability was conducted and investigations describing potential infrastructure and commercial viability were carried out by the Asian Development Bank study.

In the ensuing months and years, numerous delays in moving the project forward were experienced, including the ethnic tension in Solomon Islands that created serious governance problems and all but shut down the country's economy in the early 2000s. Landowner issues were also a major hurdle in moving forward. However, the Solomon Islands Government never abandoned the project, with the Ministry of Fisheries and Marine Resources and other departments continuing preparatory activities and successful community outreach. A High Court ruling in 2017 settled land issues, and in 2019 a hydrographic survey of the harbour area was completed by the Australian Navy. These activities have cleared the way for the government to further pursue the project and declare it a priority in the 2020 budget.¹⁶ In addition to a site for tuna processing (loining) to take place, the infrastructure under consideration includes a dedicated fisheries wharf, a second wharf suitable for international cargo ships and sufficient space for a container yard.

As a sister organization of the World Bank and member of the World Bank Group, IFC describes itself as the largest global development institution focused on the private sector in developing countries.¹⁷ IFC further describes its role generally in development projects as applying its financial resources, technical expertise, global experience and innovative thinking to help overcome financial, operational and other challenges. The Bina Harbor project certainly possesses all of these challenges, but Solomon Islands is confident that along with its other development partners it can make the project happen in the fast-changing world of the tuna industry.

TUNA INDUSTRY

COVID-19 pandemic reaches all corners of the tuna industry

The novel corona virus impacts on the tuna industry are widespread, yielding both positive outcomes and deep challenges, which are likely to shape the industry in the future. COVID-19 dynamics in logistics, processing and markets are reviewed here (impacts on observer placements and transshipment are covered separately above).

Fishing industry and logistics: Port and air logistics have been disrupted around the world and conditions and regulations continue to evolve rapidly. Recently, twenty members of the Port Authorities Roundtable met and developed a joint declaration to collaborate and share best practices to ensure that port operations at the largest ports in the world are not disrupted.¹⁸ However, in the Pacific, most ports and airports are closed, not least because of the risks that the pandemic presents in Pacific Island countries (PICs) with extremely limited medical resources, including ventilators. In many PICs, if permitted entry, foreign vessels are now required to spend up to 14 days quarantined at sea before going into port and most airports are closed.¹⁹

IFC is supporting a feasibility study to establish a second tuna processing plant in Solomon Islands in Malaita

Bina Harbour project has been declared a priority in Solomon Islands Government's 2020 budget

The fishing industry is concerned that travel bans are creating hurdles for staffing crew and that some crew members also might be stranded and unable to travel home. They have loudly voiced concern that 14-day vessel quarantines before arriving in ports for transshipment represent lost fishing days and revenue.²⁰ In the face of logistics uncertainty, so far, skipjack prices to Bangkok had been stable around US\$1,500/mt, but dipped down to around US\$1,400/mt in late April following signs of some softening in other markets because of strong supply and some slowing processing capacity (see below).²¹

Meanwhile, the fishing industry are looking for strategies to keep their businesses up and running. In the US, a coalition of seafood harvesters, processors and their trade associations have asked the federal government to support supply chains. This includes requests that government purchases at least US\$2.5 billion worth of seafood products that can be sold overseas or supplied for domestic government food-service programs (i.e. hospitals, military), plus provision of an additional US\$1.5 billion in relief through the use of a series of legal provisions.²² In late March, the US seafood industry was granted US\$300 million as part of the national coronavirus relief package. However, by late April, industry was complaining that it did not have clarity on the distribution process for those funds and that it was concerned about lack of transparency in the process.²³

Processing: Tuna processing plants are facing operational constraints as demand for shelf stable product grows around the world. Starkists's American Samoa plant has remained operational and sought to expand production, but has felt supply constraints because of difficulties with staffing purse seine vessels with fishing observers.²⁴ Recently, offshore engineers were given special permission – and followed special protocols – to land at Pago Pago airport to conduct repairs need to maximize production at the plant, in part because of the role that shelf stable tuna is playing in providing food security during the pandemic.²⁵

In late March, StarKist temporarily halted production at its major factory in Guayaquil, Ecuador, one of the countries hardest hit by the Corona virus. The plant is a large supplier of tuna in pouches to the US and EU markets. Other processors in Ecuador are reported to have reduced output but have remained operational. In late March, the Mayor of Manta asked the tuna processing plants that are a major source of employment in the city, to shut down to protect health and safety. Companies collectively responded that canned tuna is an essential product on multiple counts: employment, export revenue and as a strategic product for ensuring healthy, shelf-stable food security in times of food supply disruption. Companies outlined additional measures to keep workers safe.²⁶

Italy's Bolton Group reported in early April that all 15 production plants were fully operational and it was not experiencing delays in procurement or delivery. However, there were also reports that plants in Italy and Spain have reduced production in order to maintain social distance between workers. In the Philippines, some canneries are reporting cutting output by 50-60 percent.²⁷ However, Century Pacific Food has reported that despite lockdowns, its factories have sufficient capacity and are operating continuously with a reduced workforce.²⁸ The largest reported outbreak has been in Thai Union's Pioneer Food Cannery in Tema, Ghana. Thai Union closed the plant for three weeks in late April and early May when more than 500 workers became infected with COVID-19.²⁹ It was reportedly planning to reopen with limited capacity in mid-May and to work with authorities to reopen in phases.³⁰

PICs are balancing the need to protect public health with the need to keep the fishing industry and port-based operations running

Canned tuna processors around the world are aiming to keep production as high as possible in light of COVID social-distancing requirements

In the Pacific, Soltuna's production has been largely unaffected by COVID-19, given there are no confirmed cases in Solomon Islands and the plant is geographically isolated in Western Province. In Papua New Guinea, there were reports of disruptions in the country's plants, but by late April, all plants were operating. Several plants in PNG regularly operate below maximum capacity and many have expatriate senior management that have been evacuated to home countries.³¹

Markets: The COVID-19 outbreak has caused consumers under lockdown orders in some countries to dramatically increase their consumption of shelf-stable tuna products. For instance, in Italy, late February and early March saw sales of canned tuna rise 38.6% for tuna in water and 29.2% for tuna in oil.³²

Boosts in demand are a particularly welcome development in the US market, where shelf stable tuna sales have been flat or in decline over the last decade. The surge in demand, and the potential of destabilization in fishing, processing and logistics nodes of the chain, present unique challenges to meeting demand. During the week of 14 March, shelf-stable seafood sales (including tuna) in the US spiked almost 54 per cent – in the category, canned and pouched tuna was the biggest winner, with spikes of 150 per cent. Purchasing volumes of shelf stable remained well-above 2019 levels into April.³³ Frozen seafood and fresh/chilled seafood sales in retail outlets also surged in that time period.³⁴ In order to keep up with demand, processors and brands are evolving their production practices quickly. US processors report reducing their stock-keeping units (SKUs) by 80% to accelerate production and delivering finished goods directly to retailers rather than using distribution facilities.³⁵ Processors, brandowners and retailers are considering how they will be able to retain these new customers in the future and are hoping to revitalize their business.

By contrast, as restaurants and other prepared 'food away from home' outlets have shuttered, food service suppliers have begun to face extreme pressure. With business down by as much as 70%, they have had to increase the agility of their supply chains.³⁶ US food service giant Sysco Corporation has announced a shift in its business to cater to the booming retail and grocery sector. Sysco has introduced new logistics services to retail grocery customers and begun working with small restaurants to get their delivery and online order systems up and running. Sysco sees this as a post-COVID growth opportunity.³⁷

Meanwhile, as unemployment and job insecurity balloons, pressure is mounting on food banks and charitable organisations that supply food to those in need. Shelf-stable tuna is a common product that charitable organisations seek to distribute. US-branded manufacturers Chicken of the Sea and Bumble Bee have independently announced large donations of products to charitable organisations.³⁸

In Japan, reports indicate that demand in the fresh/frozen sector is generally soft as restaurants have drastically reduced service. Domestic seafood supply chains are working normally, but international airfreight used for many sushi and sashimi products has been interrupted.³⁹ Reports indicate that trade volumes and prices of high-end fish are tumbling.⁴⁰ However, middle grade yellowfin and bigeye are a staple, and like elsewhere, supermarket demand for these products has remained and is perhaps stronger than normal, albeit with supply challenged by limited airfreight flights operations.⁴¹

Demand for shelf-stable tuna products has surged in markets around the world

Demand for high end fresh/chilled product is down in Japan, but retail sales remain buoyant

Nauru's domestic tuna purse seine fleet burgeons

Over the past 10-20 years there has been considerable growth in Pacific Island countries' domestic purse seine fleets, in part stimulated by the introduction of the PNA's Purse Seine Vessel Day Scheme in 2007. PICs have aspired to establish their own domestic fleets as a means of deriving high economic returns from their tuna resources above and beyond foreign fishing access fee revenue. Potential economic benefits from domestic fleets include taxation revenue, shareholder dividends from joint venture vessel ownership, onshore investment in processing facilities, spending in local businesses for provisions, vessel and net repair etc. and local employment. The potential economic benefits of domestic flagging are intended to outweigh losses incurred in cases where vessels have been provided with discounted fishing licences. The majority of domestic fleet growth has been through vessels under Asian flag or beneficial ownership, most notably Taiwan, Korea, Philippines and China, flagging or chartering to PICs.

Nauru is the latest PNA member to establish its own domestic purse seine fleet. The fleet now consists of 14 vessels, all of which were existing vessels operating in the WCPO purse seine fishery that have re-flagged to Nauru. Two of the 14 vessels were originally Korean -flagged and beneficially-owned; 10 were flagged to PNG and two to the US, all of which have ties to Taiwanese capital. In addition, two bunkers formerly flagged to Panama and Belize now operate under Nauru flag.⁴²

To meet its new responsibility as a flag state, Nauru has made significant reforms to its national legislative framework by establishing a Shipping Act, appointing a Registrar and revising the Fisheries Act. A 'Nauru Flag State Handbook' is under development which will serve as a guide to staff of Nauru Fisheries and Marine Resources Authority (NFMRA) in executing Nauru's flag state responsibilities for vessels fishing both within and beyond Nauru's EEZ. NFMRA's CEO, Charleston Deiye, has expressed aspirations of landing some catch in Nauru for local processing from its domestic fleet, as well as conducting in-port transshipment, once a new port development is completed.⁴³

Several other PICs have also experienced a boost in their domestic purse seine fleets recently. Eight former PNG-flagged vessels with Taiwanese beneficial ownership have also re-flagged to Federated States of Micronesia; Marshall Islands has added three newly constructed vessels to its fleet under Chinese ownership; and, Cook Islands has flagged its first ever purse seine vessel, which transferred from Kiribati flag.⁴⁴

Greenpeace highlights ongoing labour concerns in Taiwanese fleet

Over ten years and a series of reports, Greenpeace has contributed to turning attention to dangerous and unlawful labour conditions in fisheries. It has once again released a report focused on the Taiwanese fleet and vessels owned by Taiwanese capital that aims to link illegal fishing practices and poor labour conditions. This new report spotlights global tuna trading company FCF as a company with responsibility for reforming these conditions because of its deep connections to fishing, trading and major markets.⁴⁵ Most recently, FCF has purchased Bumble Bee, giving Greenpeace the chance to link FCF's action to a major US brand name with high public recognition.

Growing attention to labour conditions have led the Taiwanese government to introduce new regulations. However, in the new report, Greenpeace argues first, that the Taiwanese Fisheries Agency has failed to enforce its own regulations

Nauru has become a flag state with a fleet of 14 tuna purse seiners and 2 bunkers

Greenpeace is spotlighting FCF as a site for change because of its broad reach in industry and recent purchase of Bumble Bee

around IUU fishing and human rights abuses. Second, it highlights that the Taiwan government has a discriminatory, two-tiered labour code: one set of rules for Taiwanese nationals and another for migrant workers. Differences include a lower minimum wage (US\$740 vs. US\$450/month) and lower level of protections around conditions (maximum 8 hours of work vs. minimum of 10 hours of rest) for migrant crew.

Through interviews with migrant fishers and reviews of fishers' contracts from three vessels either flagged or linked to Taiwan, the investigation identified alleged violations of labour and human rights law that meet seven of the eleven International Labour Organisation (ILO) indicators of forced labour. Allegations included: lack of compliance with the terms and conditions of contracts as required by national and international law, long and dangerous work conditions including excessive working hours and abusive working and living conditions, and confiscation of travel documents, among others. Greenpeace also relied on interview data and AIS data to point to IUU concerns including shark-finning and illegal transshipments.

Greenpeace points to the role that FCF could play in eradicating these practices, arguing that as a major seafood corporation, FCF has the power to uphold global fishery reforms and that it should increase transparency of its supply chains and production practices. Demands for FCF include:

- Enhancing traceability of the seafood supply chain;
- Sourcing only from vessels that do not take part in transshipment at sea;
- Strictly complying with international standards on human and labour rights and best practices;
- Supporting legally binding agreements with labour unions;
- Upgrading its sustainability policy; and,
- Establishing concrete and effective action plans to demonstrate its tuna is caught legally and workers have safe and just working conditions.

Bumble Bee looks to the future under new ownership and leadership

Recent issues of *FFA Trade and Industry News* followed the final stages of Bumble Bee's role in the price fixing scandal and its eventual purchase by Taiwanese trading company, FCF. As Bumble Bee closes the door on these events, CEO Jan Tharpe is looking ahead to a new future, envisioning a renewed relationship with consumers with new products, marketing and diversification into new market segments. Bumble Bee's message of a healthy, low cost, convenience product has not gained traction over the last decade, so the firm has modernized logos and packaging that highlights messaging relating to protein content and additional ingredients. The company is offering new products with bolder flavours and ready-made meals such as microwavable bowls and tuna pouches sold with disposable cutlery.⁴⁶ Bumble Bee plans to embrace wild species, aquaculture, plant-based and cultivated seafood in product offerings.

In addition, Bumble Bee is expanding into the growing plant-based protein market. It has announced a joint venture with Gathered Foods Corporate, which owns plant-based seafood company Good Catch. Good Catch's products will be sold using Bumble Bee's sales and distribution network. The partnership extends only to sales, distribution and logistics; Bumble Bee has not made any investment in Good Catch

**Bumble Bee
plans to
embrace
wild species,
aquaculture,
plant-based
and cultivated
seafood
in product
offerings**



or its parent company.⁴⁷ Bumble Bee CEO Tharp has been appointed to Gathered Foods' Board of Directors.⁴⁸ Bumble Bee hopes that the Good Catch deal will help convince consumers that Bumble Bee is serious about sustainability. According to Tharp, 'It is critically important that as an industry we continue to find innovative solutions to decouple growth with environmental impact'.⁴⁹ Bumble Bee had planned to use the Natural Products Expo in Southern California in early March to debut both its new products and its relationship with Good Catch Foods, however, the event was cancelled in the wake of COVID-19.⁵⁰

For its part, Good Catch – which makes its products from a six-legume blend of peas, chickpeas, lentils, soy, fava beans and navy beans – will gain access to an extensive distribution network, a benefit that can often be a major hurdle for startups. Good catch has been well supported by venture capitalists, including the venture arm of major food company General Mills, and aims to expand its brand across three continents.⁵¹ Its first product is a shelf-stable albacore alternative, and it is planning to launch frozen entrees in early June.

New not-for-profit offers social accountability benchmarking tool for vessels; FAO human rights guidelines for seafood bounced back for review

Regulatory, NGO and industry-driven initiatives continue to advance to address widespread concern about labour conditions and human rights abuse in the seafood sector.

Most recently, a new not-for-profit company, On-Board Social Accountability (OSA) International Ltd., has been established which offers fishing companies with a voluntary benchmarking tool underpinned by twenty international best practice social accountability indicators. Several personnel involved in OSA have extensive Pacific Islands experience, including Mr. Marcelo Hidalgo, Dr. Transform Aqorau and Mr. John Maefiti. OSA International has been engaged by the Papua New Guinea Fishing Industry Association to conduct benchmarking assessments of its member companies. These assessments can be used by fishing companies to provide a transparent account of their labour practices and management systems to interested parties including governments, NGOs, buyers and brands.⁵²

Fishing companies are likely to face the challenge of navigating a range of regulations and protocols relating to labour conditions. Already, fishing-related labour issues are being addressed by the United Nations (ILO 188 – Work in Fishing Convention), RFMOs (e.g. WCPFC's Resolution 2018-01 on labour standards), FFA (Minimum Terms and Conditions on crew labour conditions), third-party certification standards (e.g. Fair Trade, MSC), NGO/not-for-profits (as above) and industry (e.g. Seafood Task Force).

Meanwhile, FAO's work to create guidelines for human rights, labour conditions and social responsibility in the seafood industry has not been accepted by international stakeholders. The guidance was intended to provide a human rights standard for seafood workers around the globe, articulating core principles related to the inherent dignity of all individuals, elimination of forced labour, fair treatment for all, gender equity, child labour and the rights of migrant workers. Six appendices were planned for subsectors, including aquaculture, industrial fishing, small-scale fishing, processing, distribution and retail. Countries have pushed back on the draft guidelines first presented in November 2019, sending FAO back to work with a

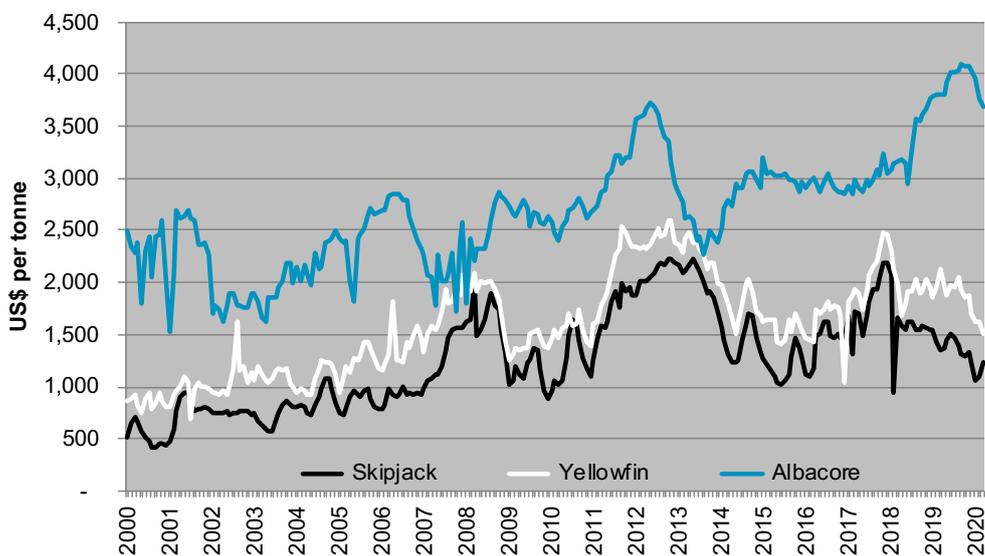
PNG Fishing Industry Association member companies will undergo social accountability benchmarking

Stakeholders have rejected FAO's draft guidelines for human rights; they will be revised and presented in 2021

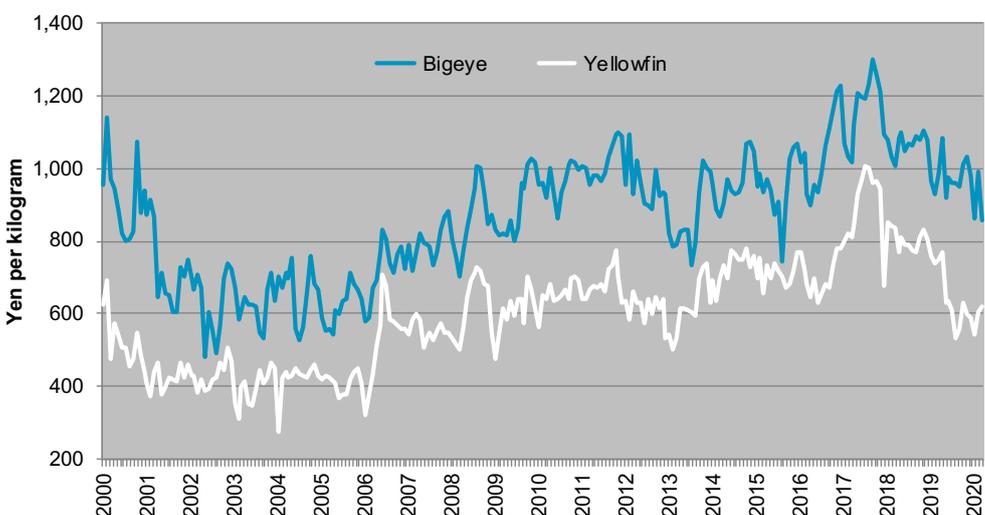
year to revamp the guidance. Concern focused on the need to strongly clarify that guidance is voluntary and that there are no specific requirements that emerge from the guidelines. Both governments and industry voiced concern that the guidelines were prescriptive. Countries also expressed concern that another set of guidelines will add unnecessary bureaucracy, given existing tools available including the FAO-OECD guidance on social responsibility in land-based agriculture and the ILO's C188 on Work in Fishing Convention.⁵³

TUNA PRICE TRENDS⁵⁴

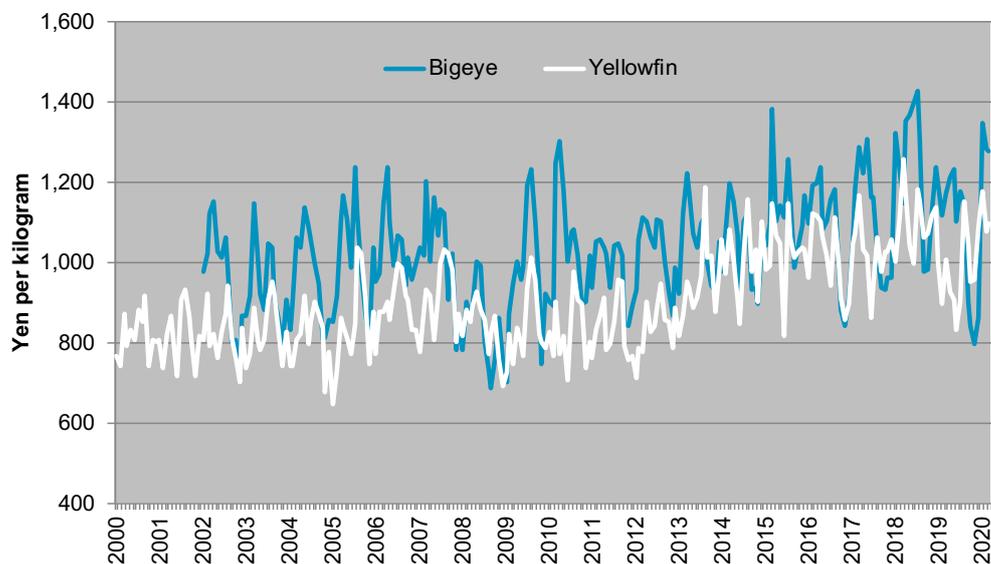
Bangkok canning-grade prices to 2020⁵⁵



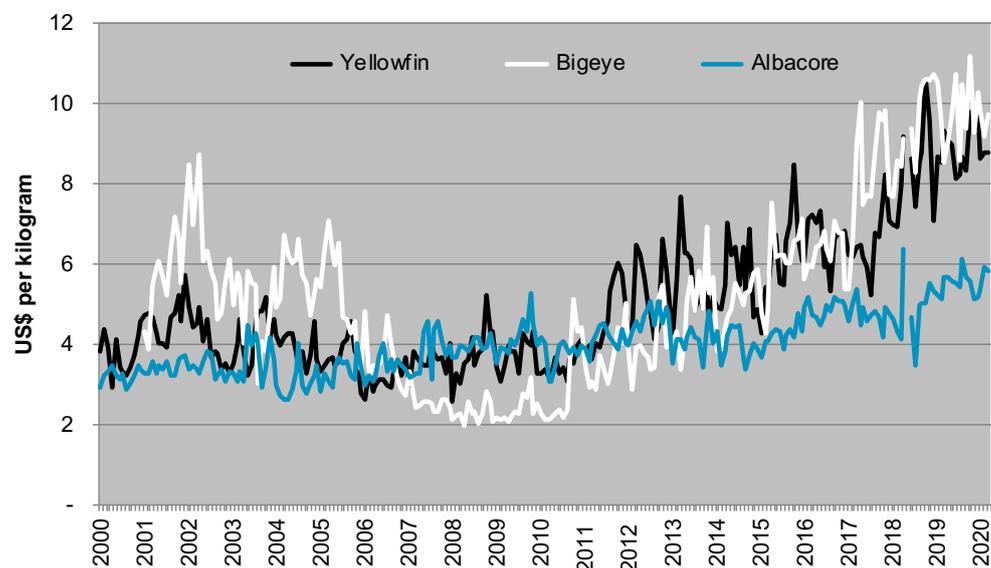
Japan frozen sashimi prices (ex-vessel, Japanese ports) to March 2020⁵⁶



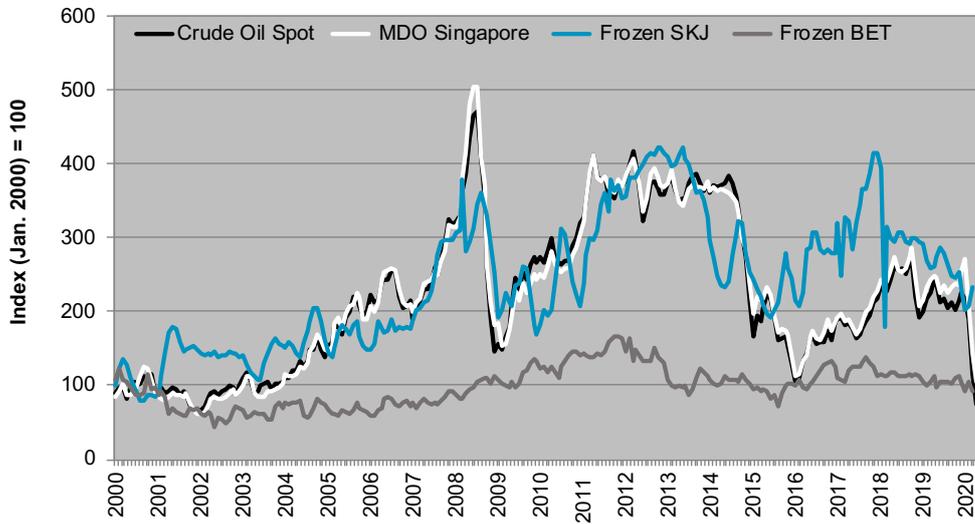
Japan fresh sashimi prices (origin Oceania) to March 2020⁵⁷



US imported fresh sashimi prices to March 2020⁵⁸



Crude oil, canning-grade frozen skipjack (SKJ) and frozen bigeye (BET) price index to April 2020⁵⁹



¹ Prepared for the FFA Fisheries Development Division by Dr Liam Campling, School of Business and Management, Queen Mary University of London, Dr Elizabeth Havice, University of North Carolina at Chapel Hill and Mike McCoy, independent consultant, all Consultant Fisheries Trade and Market Intelligence Analysts, Fisheries Development Division, FFA. Desktop publishing by Antony Price. The authors would like to thank Chris Reid and Len Rodwell for their input on an earlier draft of this briefing. The contents of this briefing (including all analysis and opinions) are the responsibility of the authors and do not necessarily reflect the positions or thinking of the FFA Secretariat or its Members.

² The Chair dropped attempts to pursue formal negotiations online 7 May. *World Trade Online*, 'WTO fisheries chair abandons virtual work amid member reluctance', 7 May 2020. Available at: <https://insidetrade.com/daily-news/wto-fisheries-chair-abandons-virtual-work-amid-member-reluctance>

³ RD/TN/RL/122, 3 February 2020, ACP Group 'Scope'; RD/TN/RL/89/Rev.2, 3 February 2020, ACP Group 'IUU Fishing'; and RD/TN/RL/96/Rev.1, 3 February 2020, ACP Group 'Overcapacity and Overfishing'.

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