



## FISHERIES TRADE

### WTO fisheries subsidies negotiations to intensify in 2019

WTO Members are under growing pressure to deliver new rules limiting subsidies to the marine fishing sector by 2020.<sup>2</sup> There were two fisheries subsidies work programmes in 2018, from May to July and September to December. Three principal disciplines remain on the table: to *eliminate* subsidies to IUU fishing, ban certain subsidies to fishing on overfished stocks, and prohibit certain types of subsidies that contribute to overcapacity and overfishing.

Yet, very little has been achieved in terms of text-based discussions, with Members sticking rigidly to their long-held positions, despite Heads of State committing to the completion of an agreement as a UN Sustainable Development Goal (SDG). In the context of a glacial and frustrating pace of movement in the last work programme, in November, leading Members pushed for debates to enter 'true negotiation mode' in 2019, with an emphasis 'on substantive text-based discussion that reflects the official positions of Members'. One Member set out a desire for a 'more dynamic' next phase, that emphasises 'simplicity' and 'regular engagement by ambassadors' so to avoid getting 'bogged down'.<sup>3</sup>

A new work programme has since been set out by the Chair which anticipates six negotiation clusters from January to July 2019, with dates already fixed. Each will be one week long and consist of a mixture of activities, including bilateral meetings and informal consultations. The intention is to meet the 2019 deadline for reaching agreement, as set out in SDG 14.6. This may require a 'mini-ministerial' before the Twelfth Ministerial Conference (MC12) in June 2020 in Astana, Kazakhstan.

Some Members have indicated that they would like to put forward new proposals, including the ACP. Overcapacity and overfishing is a priority area in which the Pacific is seeking special and differential treatment (S&DT). In the future, Pacific Island governments may want to use subsidies to establish marine fisheries industries. The region will also be paying very close attention to the implications of disciplines on subsistence and artisanal fishing and will push for S&DT, should proposed rules threaten local livelihoods and food security.

The year 2019 will be a crucial one for Pacific Island WTO Members and the Pacific Islands Forum Secretariat to continue to work closely together, as well as for officials in national capitals to communicate rapidly and effectively internally (e.g. between fisheries and trade agencies). It will only be through regional cooperation that PICs will be in a position to influence the writing of these new global rules.

### US-China temporary truce offers reprieve from scheduled tariff increases

Tense US-China trade relations were given a break in early December 2018, when the two countries agreed to a temporary truce: a 90-day break in any escalation of the trade war. The timing of the truce was especially important given that the US was scheduled to increase tariffs from 10% (the rate that went into effect in September 2018) to 25% on US\$200 billion worth of Chinese imports on 1 January, 2019. In exchange for the reprieve, China has reportedly agreed that it will buy a 'very substantial' amount of US agricultural, industrial and energy products, although no specific details of that arrangement have been made public. This pause is designed to enable negotiators to discuss agriculture, technology transfer and intellectual

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property concerns fuelling the trade war.<sup>4</sup> In early January 2019, negotiators from both parties met for three days with aims to resolve their differences. At the time of writing, no outcome had been reported. If there is no progress by 2 March 2019, the planned tariff escalation is scheduled to go into effect.<sup>5</sup>

Seafood products have been affected by newly introduced tariffs, as well as by uncertainty over whether they will escalate further. In the tuna sector, China is not a major supplier of fresh and chilled tuna or canned tuna to the US, but it does supply about 5% of the US market for frozen tuna fillets and according to latest updates, 30% of the value of frozen canning-grade tuna loin imports to the US, making it the leading supplier of this intermediate product to US canners.<sup>6</sup> US tuna processing facilities have also been stung by steel and aluminium tariffs in other parts of Trump's broad return to protectionism. The outcome of the trade war, even with only 10% tariff rates in effect, is evident in the tuna sector. After a year of stable imports in 2017, imports of tuna from China have been more volatile in 2018 and declined in October after the first round of tariffs were introduced, despite an almost 10% devaluation of Chinese renminbi at the same time.<sup>7</sup> October 2018 is the last month for which US import data were available at the time of writing.

In the meantime, in early January 2019, China implemented tariff *cuts* on over 700 types of goods, including many seafood items, for countries with which it has concluded bilateral trade deals. The tariffs cuts apply to more than 300 item types (though not Chapter 3 and Chapter 16 tuna products) and have been implemented, in part, to compensate tariffs for some of the effects of the US-China trade war, such as the shortage of primary ingredients in animal feed including fish meal, that have been affected by tariffs on US soybeans.<sup>8</sup>

## FISHERIES MANAGEMENT

### WCPFC15 strengthens management of South Pacific albacore, adopts a new Compliance Monitoring Scheme<sup>9</sup>

On 10-15 December 2018, the Fifteenth Regular Session of the Western and Central Pacific Commission (WCPFC15) was held in Honolulu, United States of America.

One of the most significant outcomes of WCPFC15 was the adoption of a target reference point (TRP) for South Pacific albacore (SPA) - three years later than scheduled in the Commission's Harvest Strategy Workplan developed in 2014. Since 2015, FFA member proposals for a SPA TRP have been consistently blocked by China, supported by Taiwan. In 2015 & 2016, FFA members proposed a target reference point of 45% of unfished spawning biomass ( $SB_{F=0}$ ) with the intent of returning the stock to 2007-08 levels and returning catch rates to levels experienced prior to the significant expansion in fishing effort, particularly by the Chinese fleet, that commenced in 2009. In 2017, FFA members amended their TRP proposal to a 17% increase in vulnerable biomass from 2013 levels (a proxy for CPUE) by 2038. China and Taiwan failed to agree to adopt the TRP in 2017, as they wanted to first see the results of the 2018 stock assessment. However, to avoid a contentious vote on this issue at WCPFC14, they committed to adopt a TRP at WCPFC15.

Following several small working group sessions during WCPFC15, China and Taiwan agreed not to block adoption (but wanted it noted in the meeting record that they did not participate in a consensus) of an interim TRP for South Pacific albacore of 56% of  $SB_{F=0}$ , with the objective of achieving an 8% increase in CPUE on 2013 levels within 20 years. The interim TRP will be reviewed every three years and

*The US put its plan to increase tariffs on selected Chinese products to 25% on hold for 90 days*

*WCPFC15 agreed to a target reference point for South Pacific albacore with the objective of increasing CPUE by 8% on 2013 levels within 20 years*



revised if future stock assessments indicate it will not achieve the desired increase in CPUE. The TRP will be reflected in the WCPFC15 Summary Report, rather than as a conservation and management measure (CMM). Going forward, a CMM will be developed to implement harvest control rules, with the objective of maintaining the SPA spawning biomass at this target level. While the agreed interim TRP is a compromise on FFA's original proposal to WCPFC15 of a 17% increase in CPUE on 2013 levels, it is a positive step forward for SPA management and may go some way towards helping to improve the economic viability of the PICs domestic longline fleets, which have suffered significantly in recent years due to declining CPUE levels. The Commission will also continue to work inter-sessionally to develop a 'Roadmap for the Effective Conservation and Management of South Pacific Albacore' which will make recommendations on an overall limit for the fishery, an allocation process and actions required to achieve both biological and economic stability in the fishery.

In 2017, WCPFC14 adopted a new three-year bridging measure for tropical tunas for 2018-2021 (CMM 2017-01). WCPFC15 was required to consider provisions within CMM 2017-01 that were adopted for 2018 only or due for review. Following extensive deliberations in several small working group sessions, where divergent views on high seas purse seine management could not be resolved, the Commission agreed to retain the existing FAD closures until the end of 2021 – a three-month FAD closure in EEZs and high seas for July-September, plus an additional two months FAD closure in the high seas (April/May or November/December). An additional paragraph will be added to the measure to help clarify the definition of FADs for compliance monitoring, whereby small plastic objects and rubbish that do not have a tracking buoy will not be considered a FAD. WCPFC15 also adopted strengthened text regarding non-entangling FADS which provides specifications on design and construction which will be effective from 1 January 2020.

The US continued to push for support for American Samoa's struggling tuna industry by requesting an increase of 760 high seas purse seine fishing days (commensurate with a reduction in US high seas fishing days in 2013), citing that this reduction has had a directly negative impact on the industry. FFA members were not willing to agree to this, on grounds that American Samoa's issues are also the result of US regulatory constraints and operational-level issues. As a compromise, FFA members were willing to roll-over the special provision granted to American Samoa in 2018 of an additional 100 high seas fishing days, however this was declined, as the US indicated that the associated conditions render the provision impractical.

The limit of 250 drifting FADs with activated buoys per vessel will also be carried over until 2021. CMM 2017-01 called for agreement on setting and allocation of hard efforts or catch limits for purse seine fishing in the high seas for all CCMs by 2019. As CCMs were unable reach agreement on terms of reference proposed by the Chair for a workshop in early 2019 to commence discussions, the deadline was revised to 2020. Bigeye longline catch limits agreed in 2018 remain unchanged for the duration of the measure. All changes agreed to the tropical tunas measure will be reflected in CMM 2018-01. Prior to WCPFC15, FFA members expressed that they were "strongly of the view that the Commission cannot contemplate further weakening of CMM 2018-01...." and that, "any proposals to increase catch or effort limits and/or to decrease FAD closures would be inconsistent with the objectives of both the CMM and the Convention and cannot be supported by FFA members." Given the various outcomes at WCPFC15 on the tropical tunas measure, FFA members were successful in achieving this goal.

**WCPFC  
purse seine  
FAD closures  
and bigeye  
longline catch  
limits remain  
unchanged**

**WCPFC is the  
first tuna RFMO  
to adopt a  
resolution on  
minimum labour  
standards for  
crew on fishing  
vessels**



Once again, following multiple small working group sessions, WCPFC15 adopted an amended Compliance Monitoring Scheme (CMS) measure for 2019 (CMM 2018-07). The purpose of the CMS is to assess WCPFC members' compliance with obligations under the Convention and CMMs. CMM 2018-07 better reflects FFA members' call for a more efficient, effective, fair and collaborative CMS which reduces the time spent on the Compliance Monitoring Review during TCC and minimises duplicative reporting requirements. Further work will be undertaken from 2019-2021 to continue to streamline processes and develop corrective actions to incentivize CCMs compliance with the Commission's obligations. The CMS measure will be enhanced into 2019 taking into account further work undertaken in the meantime.

In light of growing global concerns on working conditions on fishing vessels, FFA members proposed a Resolution on labour standards for crew which was adopted by WCPFC15, the first tuna RFMO ever to have such a regulation focused on working conditions (Resolution 2018-01). While non-binding, the Resolution sets a platform for minimum standards for crew to ensure fair working conditions on fishing vessels flagged to WCPFC CCMs and operating within the WCPF Convention Area.

WCPFC will also expand the requirement for IMO numbers to apply to fishing vessels greater than 12 metres in overall length that fish outside national waters. This is to accommodate small-scale vessels under IMO requirements, not just vessels 100GT and above, in line with changes recently implemented by IMO.

On by-catch species, WCPFC15 adopted amendments to the CMM for seabirds (CMM 2018-03) to include hook-shielding devices as an alternative mitigation measure and shift the southern boundary northwards from 30°S to 25°S. Amendments were also adopted for the sea turtle measure (CMM 2018-04) to expand mitigation measures to all shallow-set longline vessels, not just those targeting swordfish. The comprehensive measure on sharks and rays, which is intended to consolidate existing multiple shark measures, was not ready for adoption by WCPFC15 and will be reconsidered in 2019. However, best practice guidelines for safe release of sharks were adopted.

New Chairs were elected for WCPFC and TCC – Ms. Riley Kim (Korea) replaces Ms. Rhea Christian-Moss (RMI) as WCPFC Chair; Mr. Lawrence Edwards (RMI) replaces Ms. Alexa Cole (USA) as TCC Chair. The next annual session (WCPFC16) will be held in Port Moresby, Papua New Guinea from 5-11 December 2019.

### **ICCAT fails to curb bigeye overfishing, weakens bluefin MCS measures**

The annual Commission meeting of the International Convention on the Conservation of Atlantic Tunas (ICCAT), took place in November 2018 in Croatia. Several interlocutors have described the meeting as a dramatic failure to adhere to scientific advice and management recommendations across the work plan of the organisation.

The ICCAT Standing Committee on Research and Statistics (SCRS) estimated that Atlantic bigeye tuna stocks were overfished and that overfishing was occurring in 2017. In 2016 and 2017, ICCAT members had exceeded total allowable catch by roughly 20%, and scientists estimated that maintaining those catches would reduce the probability of achieving Convention objectives by 2033 to around 1%. Based on this analysis, the SCRS recommended that ICCAT 'urgently ensure that catches are appropriately reduced to end overfishing and allow the stock to recover'.<sup>10</sup> Despite long negotiations during the Commission meeting, ICCAT failed to come to

*ICCAT failed to curb overfishing on bigeye and removed requirements that fleets pay back their bigeye quota overages*

*ICCAT has weakened the monitoring and control measures that were central in the Bluefin tuna recovery*

consensus on any reductions, and rather than developing a recovery plan, members rolled-over the existing management measure. NGOs have also heavily criticised that members further weakened the existing measure by removing requirements that ICCAT fleets pay back their quota overages from recent years. Environmental groups led the charge in criticising this outcome,<sup>11</sup> but they were joined by industry voices, including US hand gear, pelagic longline and recreational fishers, who argued that inaction would have a negative impact on their work and livelihoods in the long run.<sup>12</sup> In addition, the Commission did not come to consensus on new conservation measures for any of the tropical tunas or for blue and white marlin, instead rolling-over current measures and setting the Commission up for difficult debates in the 2019 meeting.

On Atlantic Bluefin, ICCAT has now formally moved from the recovery plan that guided the organisation and industry out of crisis conditions in the late 2000s into a management plan. The new management measure has been criticized for weakening monitoring and control measures that were central to the success of the recovery plan. Critics argue that this weakening is particularly bitter given a recent investigation that discovered illegal trade in Bluefin tuna that had been taking in an estimated EUR 12.5 million annually.<sup>13</sup> The illegal smuggling was facilitated through an international operation in which tuna were caught illegally in Italian and Maltese waters, imported to Spain via French harbours, and then traded illegally in Spain – this despite ICCAT monitoring measures and the EU IUU Fishing Regulation and EU Control Regulation, all of which are aimed to deter such illegal activity.<sup>14</sup>

## FISHERIES REGULATION

### US prevails over Mexico in ‘dolphin-safe tuna’ battle

Late 2018 saw a conclusion to the more than decade-long battle between the US and Mexico over ‘dolphin-safe tuna’ at the World Trade Organisation, with the US prevailing. The key issue has been whether US tuna labelling requirements are more restrictive than necessary to protect dolphins and inform consumers about production practices. Over the years, Mexico has charged that the US dolphin-safe label was inconsistent with trade law because it discriminated against Mexico more than other exporters. The US has countered that the labelling measures are voluntary and aim to inform consumers and protect animal health, so are not a technical barrier to trade.

The numerous WTO decisions and appeals have meant that tuna fishing vessels have had to keep up with changing regulations as the US sought to keep its labelling requirements in place. Between 2013 and 2016, the US changed its reporting requirements twice, each time in response to a WTO ruling in Mexico’s favour. In the most recent of these changes, the stakes were high - in 2017, the WTO had granted Mexico the right to impose over US\$160 million in trade sanctions if the new US revisions failed to comply with WTO rules.<sup>15</sup> However, Mexico’s case for sanctions was halted when in 2017, the WTO ruled that US tuna labelling rules following the 2016 changes were WTO-compliant. Mexico again appealed the decision, arguing that it had cut dolphin deaths to minimal levels but that it was being discriminated against by US demands for paperwork and government observers and that other regions did not face the same stringent tests.<sup>16</sup>

However, in late December, the case was finally laid to rest when the WTO rejected Mexico’s appeal. In the final ruling, the WTO found that setting on dolphins with a purse seine net was likely to kill or injure dolphins, even if there was no observable evidence of such deaths and injuries.<sup>17</sup>

*The WTO has ruled in favour of the US over Mexico, ending the tuna-dolphin dispute*



In the wake of the decision, minimal change to Mexican producers' market options is likely, as Mexico has essentially been cut off from the US market for the period of the dispute. However, Mexico reports that it will continue to target other markets while establishing dialogue with the US. Ultimately, industry will have to decide if it is commercially viable or desirable to modify its fishing methods in order to meet US dolphin-safe labelling requirements to gain access to that large market.<sup>18</sup> For fishing operators in the Pacific and world-wide, at long last, they can feel confident that there will be no further changes to US labelling regulations and reporting requirements on the tuna-dolphin issue, and that their current operations, if compliant, will continue to be so.

## TUNA INDUSTRY

### Investigations by NGOs shine spotlight on illegal fishing activities and human rights abuses

Recent highly publicized results of investigations by two environmental non-governmental organizations, Environmental Justice Foundation (EJF) and Greenpeace, have increased pressure on Taiwan and, indirectly on the entire fishing industry, to correct problems of human rights abuses and illegal fishing activities in distant water fleets. Taken together, these investigations demonstrate the tenacity of these NGOs in pursuing reforms of important aspects of the distant water tuna industry.

In April 2016, Greenpeace East Asia released its report, *'Made in Taiwan, Government Failure and Illegal, Abusive and Criminal Fisheries'* that documented the Taiwan government's inability to control IUU and abusive human rights in its fisheries.<sup>19</sup> The report added fuel to the fire, given Taiwan had also been issued an EU 'yellow card' warning concerning Taiwan's shortcomings in implementation of the EU IUU Fishing Regulation. Faced with a potential 'red card' and blockage of seafood exports to the EU, coupled with NGO criticism, Taiwan's government was forced into further action. In 2017, Taiwan passed the *Distant Water Fisheries Act* which contains a specific section addressing hiring of foreign crew (Article 26). Taiwan's new law requires that registered agents be used to hire foreign crew and contracts to be in place which specify workers' rights in accordance with Taiwan's new *Regulations on the Authorization and Management of Overseas Employment of Foreign Crew Members*. Violators who do not follow the requirements are to face large fines and vessel owners who abuse their workers may lose their fishing licenses for a year. However, both EJF and Greenpeace say that these efforts have been ineffective and have called for more concerted action by the Taiwan government. The two organizations contend that the problems are systemic and not the result of isolated incidents; legislation and enforcement is required that ensures full transparency and traceability of fishing activities and fish supply chains to meet the right of consumers to know the origin of their products.

In February 2018, the Environmental Justice Foundation released the results of their investigative reporting into conditions onboard Taiwanese fishing vessels in the form of the film *Exploitation and Lawlessness: The Dark Side of Taiwan's Fishing Fleet*. The film also contends that human rights abuses and illegal fishing practices continue at sea in spite of new regulations that have been put in place in Taiwan.<sup>20</sup> In a published interview, the Deputy Director of EJF stated that his organization wants Taiwan to eliminate the practice of non-regulated brokers prevalent in the fishing sector. It also wants all countries to implement legislation to prosecute national citizens engaged in human trafficking, as well as adoption of transparency leading to greater global

**Further human rights abuses on Taiwanese vessels have been documented by E-NGOs**

**FCF recognized Greenpeace efforts but criticized unfairly linking responsible companies to human rights and labour abuses**

efforts to reduce access to markets for seafood from fisheries where labour abuse and illegal fishing are proven.<sup>21</sup>

In May 2018, Greenpeace released *Misery at Sea*, a report documenting continuing harsh working conditions and cases of human rights abuses onboard Taiwan's distant water longline fleet.<sup>22</sup> The report faulted Taiwan's government for weak enforcement of its own regulations including in one case where it showed convicted human traffickers continuing to recruit fishermen for the Taiwan fishing industry. The report was also highly critical of the harsh working conditions onboard Taiwanese distant water longliners. It charged that in one case officials did not properly investigate the cause of the death of an Indonesian fisherman that occurred at sea and which was documented in the report. A second case documented the harsh treatment onboard that led Indonesian crewmen to murder their Taiwanese captain, resulting in the incarceration of the crew in Vanuatu, the vessel's flag state<sup>23</sup>.

The recent Greenpeace report also called out the Taiwanese trading company FCF for buying fish from vessels identified in the report, calling the company "the biggest fish in Taiwan" and implying that it had significant dealings with vessels involved in human rights abuses<sup>24</sup>. This elicited a strong response from the president of FCF, who noted the company does not operate nor manage tuna vessels and carefully screens its suppliers. He said the cases mentioned in the Greenpeace report were old ones that had already been addressed by the Taiwan government, and that he was "baffled" by how Greenpeace made the link between FCF and the cases in the report. The FCF company president re-iterated that it was his company's policy "to not deal with any IUU vessels or companies that are found by their respective governments to be none (sic) compliant with the nation's social or sustainability laws." He also said that Greenpeace was trying to link the entire Taiwan fishing industry with human rights and labour abuses. He recognized Greenpeace efforts at helping in this area, but he considered the organization was unfairly trying to link responsible companies "to create further publicity".<sup>25</sup>

In late 2018, EJF released the film *Slaughter at Sea* that resulted from interviews of Indonesian fishermen who had worked on Taiwanese longliners and which contained cell phone video documenting illegal fishing practices. In the interviews, the fishermen detailed incidents of mistreatment of crew onboard and shark finning, as well as the harpooning and killing of dolphins for use as shark bait.<sup>26</sup> The film pointed out that it was easy for vessels to illegally land large quantities of shark fins by circumventing inspections made by officials at discharge ports.

According to another environmental NGO, WildAid, the continued practice of shark finning in spite of prohibitions at the national level, as well as regional level by RFMOs, is being driven by emerging and increasing markets in countries other than China. In its report, *Sharks in Crisis, Evidence of Positive Behavioural Change in China As New Threats Emerge*,<sup>27</sup> WildAid says that as a result of an extensive publicity campaign and government restrictions aimed at stopping the consumption of shark fin soup in China, imports and sales of shark fin had dropped 81% in the cities of Beijing, Shanghai and Guangzhou between 2010 and 2014. It also said that imports of shark fin in Hong Kong, a major supplier of processed shark fin to China, dropped 52% between 2011 and 2017. However, Macau, Vietnam, Singapore, Taiwan and Thailand have all increased either shark fin consumption, processing or both. Thus, the economic incentives for catching and/or finning sharks remain high.

**Second EJF  
film in 2018  
documents  
illegal fishing  
practices  
Including shark  
finning**

**Thailand hopes  
that ratification  
will attract  
workers to the  
seafood sector**

**Effective  
implementation  
of C188 will  
give Thai  
exporters a  
commercial  
advance by  
giving buyers  
greater  
confidence in  
the supply chain**



## Thailand set to be first Asian country to ratify ILO Work in Fishing Convention

After several years of negative publicity for its poor record in protecting and promoting decent working conditions and labour rights in the seafood industry, the Kingdom of Thailand is set to ratify the International Labour Organization (ILO) Work in Fishing Convention No. 188 (C188).<sup>28</sup> C188 came into international force in November 2017.<sup>29</sup>

Thailand's National Legislative Assembly approved the Ministry of Labour's proposal to proceed with ratification in November 2018. The government plans to ratify C188 by January 2019 and commence domestic legal enforcement by mid-2019.<sup>30</sup>

ILO C188 requires minimum requirements for working on board fishing vessels such as conditions on service, accommodation and food; occupational safety and health protection; medical care; and social security. The Kingdom of Thailand hopes that ratification 'will attract more workers into the fisheries sector, thus alleviating the shortage of labour in this sector'.<sup>31</sup>

According to the UK-based Environmental Justice Foundation, the Kingdom of Thailand embarked on this 'bold, progressive and important step towards the protection of workers in the seafood sector' despite opposition from some elements of domestic industry.<sup>32</sup> The National Fisheries Association of Thailand (NFAT), in particular, has been identified as a blocker.<sup>33</sup> Other advocacy groups such as the US-based International Labour Rights Forum praised Thailand, but emphasises that migrant workers should be free to establish independent trade unions.<sup>34</sup> Given that around 50% of the labour force in Thailand's tuna canneries were from neighbouring countries such as Myanmar, there may be a disincentive to allow for this.

Importantly, Thailand will be the first state in Asia to ratify the Convention. The International Labor Rights Forum points out that implementation of C188 will give Thai exporters a commercial advantage as 'seafood buyers and retailers around the world [will have] greater confidence that Thai seafood is ethically sourced'.<sup>35</sup> National implementation of C188 may well result in being a gold standard in buyer assessments of seafood suppliers.

## Spanish fleet obtains first MSC certification for drifting FADs

The Echebatar Indian Ocean purse seine skipjack tuna fishery achieved MSC certification in November 2018 after an 18-month full assessment process. The certification covers Echebatar's five purse seiners, the catch from which will be landed in Port Victoria, Seychelles.<sup>36</sup> This marks the first purse seine tuna fishery to obtain MSC certification for drifting FADs, but on the condition that FADs are non-entangling in design and unwanted catch is rapidly released back to the sea.

The certification has been controversial. WWF is the environmental NGO that co-founded the Marine Stewardship Council and its eco-label. It objected to the Echebatar certification arguing that it was premature, allowed for FAD-use and that the Echebatar fleet also actively targets yellowfin tuna which is overfished and subject to overfishing in the Indian Ocean.<sup>37</sup> Indeed, the European purse seine fleet in the Indian Ocean relies on the catch of yellowfin for its profitability. The adjudication process upheld only WWF's concern around yellowfin and required 'greater detail and clarity on a score related to yellowfin tuna'.<sup>38</sup> To maintain the certification, the Echebatar MSC skipjack fishery is required to deliver improvements under eight conditions.<sup>39</sup>

*World's first  
MSC drifting  
FAD purse  
seine tuna  
certification  
remains  
unsupported by  
WWF*

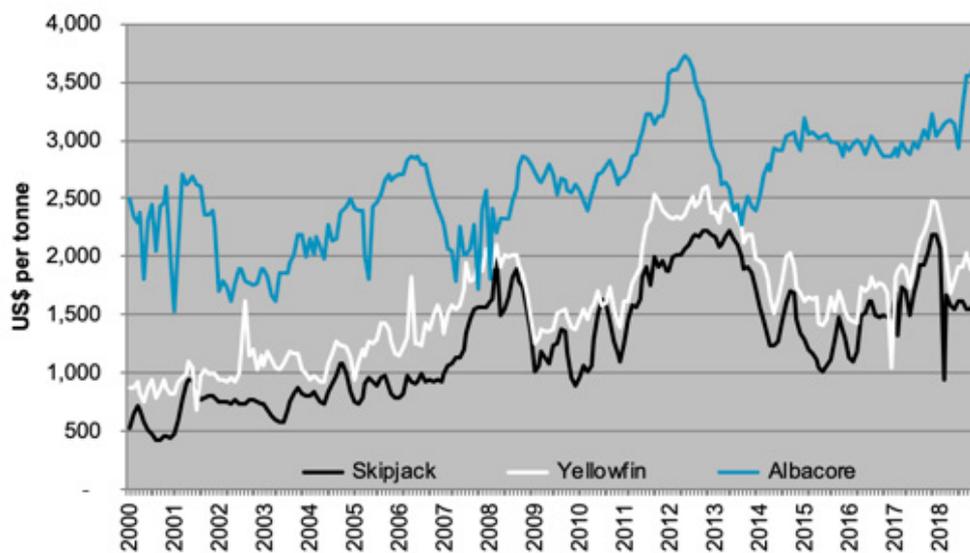
*Calvo tests the  
Spanish market  
or MSC canned  
tuna*

This new channel of MSC canning-grade skipjack available to buyers erodes the first-mover advantage PNA's MSC purse seine free-school skipjack and yellowfin fishery. Further, because WWF continues to see the Echebatar certification as problematic, it potentially devalues the MSC brand for canning-grade tuna if buyers detect uncertainty and risk.

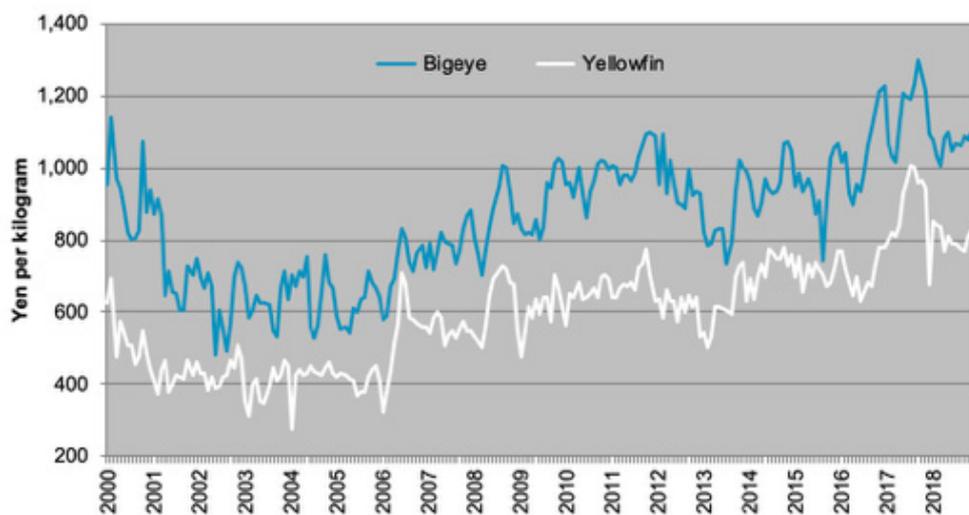
Meanwhile, Spain's leading national brand – Calvo – has launched that market's first MSC canned tuna product.<sup>40</sup> Marketed under Calvo's 'Ecolinea' seafood range, the product uses pole-and-line caught skipjack and Galician organic olive oil. It remains to be seen if the market power of Spanish seafood consumption can be leveraged to promote sustainable supply chains.<sup>41</sup>

## TUNA PRICE TRENDS<sup>42</sup>

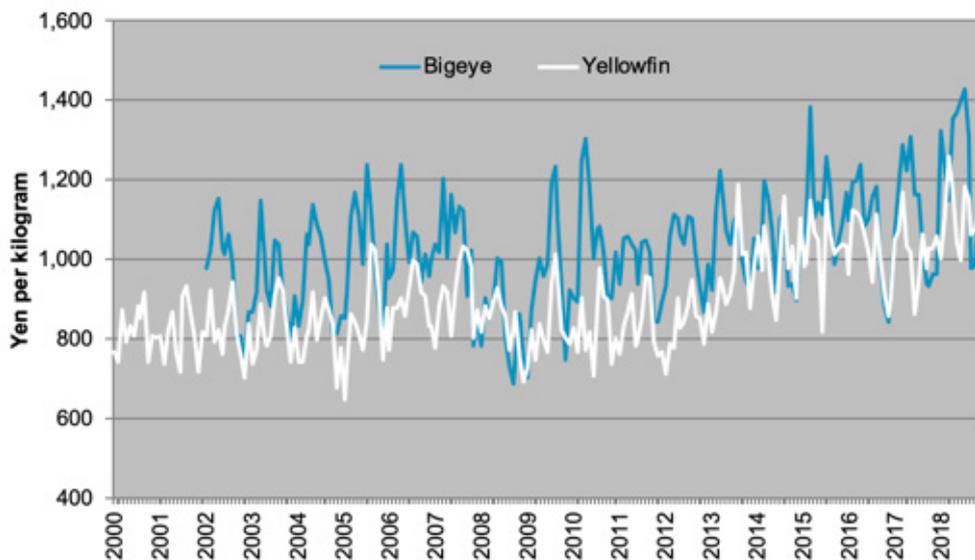
### Bangkok canning-grade prices to December 2018<sup>43</sup>



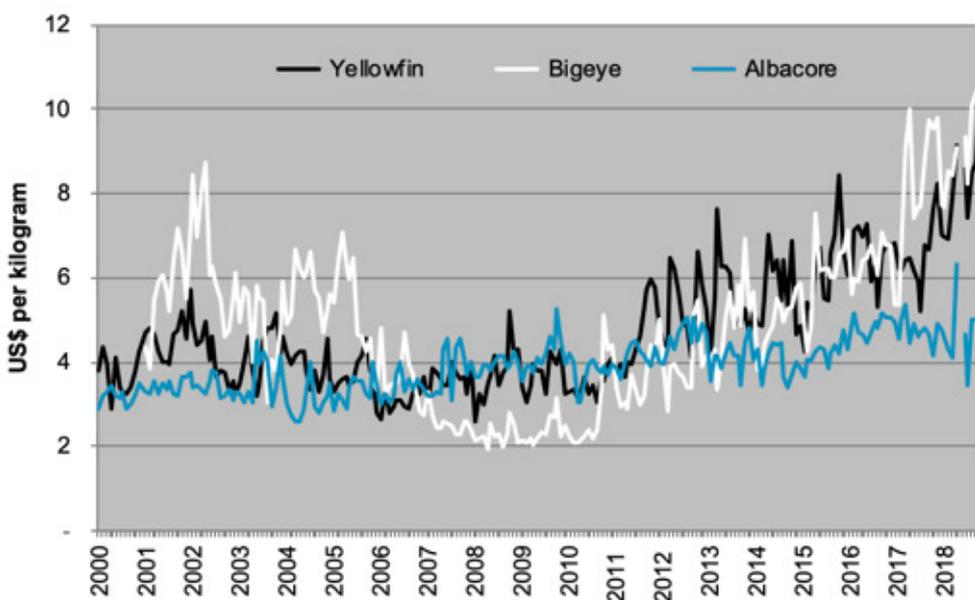
### Japan frozen sashimi prices (ex-vessel, Japanese ports) to December 2018<sup>44</sup>



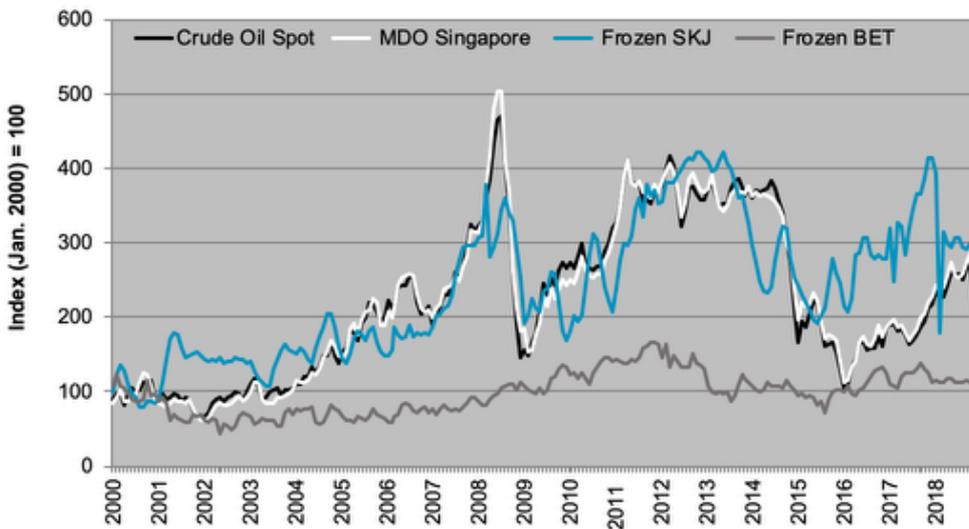
### Japan fresh sashimi prices (origin Oceania) to November 2018<sup>45</sup>



### US imported fresh sashimi prices to November 2018<sup>46</sup>



**Crude oil, canning-grade frozen skipjack (SKJ) and frozen bigeye (BET) price index to December 2018<sup>47</sup>**



<sup>1</sup> 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 Mike Batty for his 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.

<sup>2</sup> For recent debates, see: Liam Campling, Elizabeth Havice and Mike McCoy 2017, 'Fishing overcapacity discussed at the World Trade Organisation', *FFA Trade and Industry News*, 11(5): September-October; Liam Campling, Elizabeth Havice and Mike McCoy 2017, 'Update on fisheries subsidies debates in the lead up to the 11th WTO Ministerial', *FFA Trade and Industry News*, 10(4): July-August; and Elizabeth Havice, Liam Campling and Mike McCoy 2017, 'WTO Members fail to agree to minimal, low ambition rules on fisheries subsidies', *FFA Trade and Industry News*, 10(6): November-December. Available at: [https://www.ffa.int/trade\\_news](https://www.ffa.int/trade_news)

<sup>3</sup> Author's notes from WTO Negotiating Group on Rules Fisheries Subsidies Cluster, 6-9 November.

<sup>4</sup> Kevin Breuninger and Javier E. David, 2018. 'US will hold off on raising China tariffs to 25% as Trump and Xi agree to a 90-day trade truce', *CNBC*, 1 December. Available at: <http://www.cnbc.com>

<sup>5</sup> Matthew Schwartz, 2018. 'US-China trade talks wrap up after extending to a 3rd day', *NPR*, 9 January. Available at: <http://www.npr.org>

<sup>6</sup> Liam Campling, Elizabeth Havice and Mike McCoy, 2018. 'US announces new tariffs on Chinese tuna imports; US brand reactions split', *FFA Trade and Industry News*, 11(5): Sept-Oct. Available at: <http://www.ffa.int>

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