



SPECIAL FEATURE

FFA Trade and Industry News 2020 Roundup

As 2020 draws to a close, we offer a synthesis of trends in tuna trade and industry news that emerged over the course of our reporting, in a year like no other. The review draws on content reported in the *FFA Trade and Industry News* Volume 13: Issues 1-5, and full stories can be found in those issues.

In the area of **fisheries trade**, tensions between enhancing global trade and protectionist tendencies shaped trade dynamics in 2020, with relevance for the tuna industry and PIC tuna-based development objectives.

On one hand, liberalization continues its slow advance through multilateral trade relations. The Pacific moved toward stronger trade ties with the European Union as the Solomon Islands acceded to the iEPA and was subsequently granted 'global sourcing' rules of origin. This move was imperative for the Solomon Islands which is facing a loss of duty-free access under the EU's Everything But Arms initiative as it moves towards graduation from LDC status in 2024. 'Global sourcing' will enable Solomon Islands' existing processing plant to resolve seasonal supply constraints, while also offering an incentive for Korean and Filipino (and potentially other) interests that have contemplated processing investments in the Solomon Islands over the years. Meanwhile, the European Union-Vietnam Free Trade Agreement was implemented in August 2020, granting duty free status to 11,500mt of Vietnam canned tuna exports annually, as well as a gradual liberalization of the EU 24 per cent tariffs on frozen cooked loins by 2028. As a result, Vietnam is emerging as a significant competitor in the processing sector of the tuna industry. In the Pacific, PACER Plus, which would advance liberalization among PICs and Australia and New Zealand (excluding Fiji and Papua New Guinea which have elected not to join) crept closer to ratification as several PICs indicated plans to sign or ratify the agreement. Lasting concerns about the potential for Australia and New Zealand to outcompete manufacturers in PICs, risks of undermining communal land tenure, potential that the arrangement will enhance China's growing economic influence in the region and PIC concerns over loss of tariff revenues continue to stall the arrangement.

On the other hand, protectionist instincts and trade disputes also shaped the tuna business in 2020. The United Kingdom's withdrawal from the European Union was accompanied by a commitment that the UK would continue to be governed by EU rules through 2020 and the EU-PACP Interim Economic Partnership Agreement was rolled over into a UK-IEPA. This ensures that Pacific Island signatories will continue to receive the same treatment in post-Brexit UK trade policy – a move most significant for Papua New Guinea, but also with potential for the Solomon Islands and Fiji which have both exported significant volumes to the UK in the past. However, the UK reduced its Most Favoured Nation tariffs on canned tuna and tuna loins from 24 per cent to 20 per cent. This is an erosion of PNG's and Solomon Islands' current IEPA advantage.

Tuna and fisheries products were also impacted in the ongoing trade war between China and the US, to the detriment of the domestic US processing sector: the US increased tariffs on Chinese tuna loins which account for a considerable amount of light-meat supply to Chicken of the Sea and Bumble Bee's domestic processing plants. These tariffs shifted geographies of supply: Thai and Vietnamese exports filled in for Chinese product. The lasting impacts of the trade war remain to be seen. EU trade policy continued to straddle the line between advancing liberalization and protecting its own domestic fishing and processing fleets. As usual, the EU's limited tuna loins quota was exhausted on first working day of 2020. Later in the year, the EU industry

CONTENTS

Special Feature

FFA Trade and Industry News 2020 roundup

Fisheries Trade

WTO misses deadline, diverges on development and debates fisheries licensing

Fisheries Management

WCPFC rolls over tropical tunas measure; COVID-19 delays progress on new measure

IATTC 'emergency' meeting results in a tropical tuna measure roll-over after impasse

Fisheries Regulation

Kiribati IUU 'yellow card' lifted by European Commission

Japan passes new law banning IUU imports

Fourteen countries develop framework and commitments for a transition to ocean sustainability

Tuna Industry

Chinese investment in PNG 'Fishery Industrial Park'

Tuna Price Trends

2020 saw trade liberalization expanded with Solomon Islands' accession to the IEPA

accused China of subsidizing tuna loin exports and unfairly disadvantaging other producers – industry used this argument to challenge a proposed expansion of EU loin quota. There have also been calls in the EU to initiate procedural steps towards a temporary withdrawal of the Philippines GSP+ preferences unless the Philippines government makes substantive improvements relating to human rights violations.

Looking ahead, key trade dynamics of interest to PICs are on the horizon. The EU plans to reform its General System of Preferences by 2024, and WTO's negotiation to limit fisheries subsidies continue to limp forward (see full update below).

Three stories covered in the area of **fisheries development** highlight the centrality of PIC waters specifically, and the WCPO generally, in the tuna industry. In this context, PICs continue to explore strategies for increasing revenues and economic development opportunities related to fisheries access, while foreign firms continue to explore strategies for securing access and profitability. This dynamic creates a push and pull between PICs and foreign investors dependent upon each other to achieve their disparate goals. Both groups are looking to find the options, opportunities and disruptions that might expand their profitability in fisheries with well-established competitive practices in place. For instance, a feasibility study is underway in Solomon Islands for a wharf and infrastructure for proposed tuna processing facility at Bina Harbour in Malaita province with an aim of generating jobs in the country's most populous province. For its part, Nauru established its own domestic purse seine fleet of 14 vessels, all of which were previously operating in the WCPO under Korean, PNG and US flag. Indeed, since the introduction of the PNA Vessel Day Scheme, the number of PIC-flagged vessels has increased significantly as, in exchange for access, PNA countries seek to capture potential economic benefits from domestic fleets such as taxation revenue, shareholder dividends from joint venture ownership, onshore investment in processing facilities, and local spending for provisions. Finally, since the rapid growth in licensing fees has stabilized following the introduction of the Vessel Day Scheme, PICs are exploring strategies to strengthen rights-based management to further augment licensing returns. Transferable fishing rights is one potential technique, but to date, economic and legal conditions do not seem to be ripe for such a move to increase economic returns in the various fisheries in the region.

In addition to ongoing work on conservation and management measures in RFMOs (see below for recent story on WCPFC and IATTC) and at regional and national levels to rebuild vulnerable stocks of tuna species, two key themes emerged in **fisheries regulation & management** in 2020: 1) new advancements in monitoring, control and surveillance, with a focus on legality and transparency/traceability and 2) ongoing concerns and regulatory advancements around labour conditions on board vessels. On the former, states and non-state organizations have developed and assessed the potentials for transparency initiatives to be used to eliminate IUU fishing activities. NGOs have compared import control rules in an effort to identify principles for transparency and traceability tools and to promote harmonization of standards around their use. New technologies employed by both states and non-state organizations are emerging as tools for monitoring fishing and transshipments activities: examples include the FFA's Regional Fisheries Surveillance Centre work to monitor and enforce fishing regulation in the region and collaborations that use Global Fishing Watch data to monitoring fishing and transshipment, and even promise to be able to identify forced labour on board fishing fleets.² Constraints that emerged with observer coverage during the COVID-19 pandemic also led to calls for enhanced use of electronic-monitoring and artificial intelligence for monitoring, control, and surveillance in the face of health challenges that limited human monitoring.

**Thailand
and Vietnam
saw gains in
loin exports
resulting from
the US-China
trade war**

Concerns about and moves towards requirements for improving labour conditions at sea are now a regular part of the tuna industry, the need for which was further emphasized in 2020 as observer and crew deaths in multiple contexts were reported. FFA Ministers called for full implementation of the harmonized minimum terms and conditions on human rights and labour conditions for crew that were adopted at FFCMIN16 in 2019. The International Seafood Sustainability Foundation announced a new conservation measure on social and labour standards that will be required for all of its members, which include major tuna processors, traders and marketers. The United Nations Food and Agriculture Organisation has continued to advance and debate its work to develop human rights guidelines. New organizations are also emerging to address this challenge: for instance, On-Board Social Accountability International is a new non-profit organization that has developed a social accountability benchmarking tool for vessels. Public naming and shaming of flag states and companies accused of harbouring human rights abuses on board vessels has also continued: the US added products from Chinese and Taiwanese vessels to its list of goods produced by forced labour and Greenpeace continued to highlight labour concerns in the Taiwanese fleet, with a focus on FCF after it became more recognizable to the public by acquiring US brand Bumble Bee.

No annual roundup would be complete with attention to how the COVID-19 pandemic restructured **industry and its management**: all dimensions of tuna supply chains were impacted by COVID-19, with some opportunities and some challenges emerging. Regulations were modified as exemptions for observer coverage and in-port transshipment were offered to keep the fishing and trading at the base of tuna supply chains operational. Processing facilities had to modify production practices and schedules to keep workers safe and facilities operational, including because in many cases, tuna processing was deemed “essential work” for food security provisions and local-level economic needs as food systems and economies were destabilized, particularly in the early days of closures. In this context, around the world, demand for shelf-stable tuna products surged, proving an opportunity for retailers and brands to boost sales. Many tuna branding firms expressed hope that the surge would create a longer-term boost as customers rediscovered tuna products. In the fresh/frozen sector, restaurant demand declined significantly around the world as restaurants closed their doors or scaled down to take out service only, but retail sales expanded. Logistics disruptions, including grounded flights, presented obstacles for getting fresh product to markets. In many cases, fishing firms and companies down the supply chain appealed to their governments for economic relief.

Outside of COVID-19 disruptions, the adoption of MSC certification in the tuna industry has continued to advance. Papua New Guinea’s Fishing Industry Association received MSC certification covering 32 PNG and 32 locally-based Philippines-flagged purse vessels operating under PNG domestic fishing licenses. Demand is likely to increase for products with such sustainability assurances as retailers continue to make commitments to sustainable procurement. For instance, US retail giant Wal-Mart announced a commitment to only source tuna for its US private label that has MSC certification or is in a time-bound Fishery Improvement Project. The first Bluefin fishery secured a certification in the face of much controversy, not least because the certification is contingent upon the fishery reaching goalposts for sustainability *in the future*: in short, the fishery secured the certification even though it does not at present meet MSC sustainability standards – a fact that eNGOs Pew and WWF loudly contested. Greenpeace continues to work to reveal the inner workings of supply chain dynamics that drive unsustainable behaviour; most recently, it launched a new campaign to target the finance sector, which provides billions to finance the tuna industry.

Labour conditions on board vessels are now a key concern in fisheries management

COVID-19 caused disruptions to transshipment and observer regulations

Also, on the sustainability front, 2020 saw a considerable movement towards plant-based seafood products take form. A series of new start-ups emerging to provide such products, associated sustainability certifications, and existing seafood companies are branching out to form new ventures or collaborations in plant-based seafood products to demonstrate green credentials and explore new opportunities for growth in the seafood sector.

FISHERIES TRADE

WTO missed deadline, diverges on development and debates fisheries licensing

From September 2020, WTO members intensified negotiations on the drafting of rules on fisheries subsidies. Despite COVID-19 and renewed restrictions on in-person meetings in Geneva, this work programme consisted of four week-long clusters including one held at the level of Heads of Delegation; intersessional meetings, including on fisheries access and licensing; multiple bilateral meetings by the Pacific and ACP Groups; and a series of bilateral consultations by Ambassador Chambovey of Switzerland as a friend of the Chair to advance negotiations on special and differential treatment (S&DT) for developing countries. This intensification of work signalled the political weight placed by some on seeking to complete negotiations as close as possible to the 2020 deadline as set out by Heads of Government under Sustainable Development Goal 14.6.

Perhaps the most difficult area of disagreement through 2020 is on the central but controversial question of SDT for subsidies when fishing under conditions of overfishing and/or overcapacity. The debate here is highly polarised between a minimalist position – typically advanced by developed Members – that S&DT should consist solely of longer transition periods for the implementation of new disciplines; and a maximalist position demanding longer-term, structural flexibilities for developing Members with underdeveloped fishing capacity to create that capacity using subsidies.

Most recently, the third draft for the negotiating text was released by the Chair in mid-December. It clarifies that government-to-government payments under fisheries access agreements would *not* be deemed to be subsidies across the agreement. While this has always been seen as the case by WTO Members, the reinsertion of the language indicates the ongoing negotiation of access arrangements and the connected, but different, issue of the distribution of fishing rights, whether under an access arrangement or not. This is a profoundly important issue for the Pacific Group and the Chair has acknowledged its position in an explanatory note where he states that, for some Members, treating any distribution of fishing rights as a subsidy could undermine their fisheries management regimes.³ The coming months will be crucial in terms of ensuring that draft text is developed and debated by Members to address this important goal.

Negotiations recommence in a week-long cluster beginning on 18 January 2021. Meanwhile, WTO Members such as China, the EU and Russia continue to provide major new subsidy programmes to industrial fishing fleets for new vessels or modernisation.⁴

**Negotiators
continue to
clash on special
and differential
treatment for
developing
countries**

**Latest draft of
the negotiating
text includes
mention
of access
arrangements**

FISHERIES MANAGEMENT

WCPFC rolls over tropical tunas measure; COVID-19 delays progress on new measure⁵

From 8-15 December 2020, the 17th Regular Session of the Western and Central Pacific Commission (WCPFC17) was attended virtually by over 300 participants. Given an in-person meeting was not possible, the WCPFC17 meeting agenda was significantly shorter than usual, covering only the highest priority issues.

WCPFC's conservation and management measure for tropical tunas (CMM 2018-01) expires in February 2021. Like all tuna RFMOs, COVID-19 seriously interrupted WCPFC's work plan for 2020, leaving little opportunity to progress intersessional negotiations on a new tropical tunas CMM in advance of WCPFC17. Scheduled after IATTC's annual meeting, where consensus could not be reached on a new or roll-over measure leaving the EPO tropical tuna fishery unmanaged (see below), there was a general desire amongst WCPFC members to ensure management measures remain in place for tropical tunas in 2021, while a new measure is negotiated. Hence, WCPFC17 agreed to roll-over CMM 2018-01 to 2021 and hold at least two week-long workshops dedicated to tropical tuna which are scheduled for April and June/July 2021.

Historically, WCPFC's negotiations around tropical tuna management have been complex and protracted, given various divergent interests (e.g. flag vs. zone-based allocation; purse seine vs. longline; EEZs vs. high seas; small island developing states vs. distant water fishing states). Should COVID-19 travel restrictions remain in 2021 and continue to prevent in-person meetings, it will likely be challenging for WCPFC to reach agreement on a new measure by WCPFC18, given the contentious elements up for negotiation – establishing hard limits for high seas purse seine fishing and longline bigeye and allocation between WCPFC members, taking into account SIDS aspirations. Through a proposal to WCPFC17, the US has already signalled an intention to pursue an increase in high seas purse seine fishing days and bigeye longline catch quota for US-flagged vessels, given the improvement in bigeye stock status. The EU has flagged the need to review several elements of the measure that are potentially undermining its overall effectiveness and ability to meet conservation objectives – the “open-ended” exemption to PNA domestic vessels for the FAD closure (also raised by the US), high seas purse seine efforts only applying to some flag states and ambiguity around catch and effort attribution for vessels operating under charter arrangements. FFA members remain committed to moving to zone-based rather than flag-based management for the high seas, with allocations applied to all members which adequately take into account SIDS development aspirations.

WCPFC17 adopted a slightly updated *Indicative Workplan for the Adoption of Harvest Strategies under CMM 2014-06*. Given the workplan was substantially reviewed in 2019 by WCPFC16, only one change was made tasking the Scientific Committee in 2021 to include additional candidate skipjack target reference points (TRPs) of 36, 38 and 40% of unfished biomass. The introductory text to the Workplan noted that substantial technical progress had been made by WCPFC's Science Service Provider (SPC) in 2020, particularly on management strategy evaluation (MSE) for skipjack and South Pacific Albacore. However, given the abbreviated meeting format of SC16 and WCPFC17, there was limited discussion of these matters. COVID-19 also resulted in delays in capacity building initiatives intended to assist WCPFC members to understand and participate fully in the harvest strategy development process. Hence, it is possible that COVID-19 delays will result in further revisions needing to be made to milestones laid out in the Workplan. There have been significant lobbying efforts by NGOs and industry groups pushing for the timely adoption of harvest strategies for key tuna stocks by WCPFC (and other tuna RFMOs).

At least two workshops will be held in 2021 to progress negotiations on a new tropical tunas measure



Notably, all WCPO MSC-certified tuna fisheries risk having their certificates suspended if harvest strategies are not adopted in line with milestones laid out in the 2017 version of the Workplan adopted by WCPFC14.

Currently, WCPFC has a non-binding resolution on labour standards for crew on fishing vessels which was adopted in 2018 (Resolution 2018-01). Prompted by the unfortunate deaths of a number of Indonesian crew on foreign fishing vessels amongst others including fisheries observers, Indonesia proposed to WCPFC17 that the Commission develops a binding CMM on labour standards. Indonesia's proposal was widely supported by the majority of WCPFC members and NGOs. However, China strongly expressed concerns about adding an unnecessary burden on CCMs when there are already existing domestic laws in place regarding human rights and crew safety. Despite China's opposition, WCPFC17 agreed that Indonesia and an FFA member would co-lead intersessional work to promote discussion and information sharing amongst members to support the development of a CMM on labour standards for crew on fishing vessels in advance of WCPFC18.

WCPFC17 also supported the continuation of the FAD Management Options Intersessional Working Group (FADMO-WG). During 2020, the working group drafted revised guidelines for non-entangling and biodegradable FADs. Due to abbreviated agendas at SC16 and TCC16, these revised guidelines were not able to be discussed and have been deferred for consideration at SC17 and TCC17 in 2021. Following input from these bodies and other relevant scientific and technical information, the FADMO-WG will revisit and hopefully finalize these guidelines.

IATTC 'emergency' meeting results in a tropical tuna measure roll-over after impasse

For the first time in the 72-year history of the Inter-American Tropical Tuna Commission (IATTC), IATTC members failed to reach consensus on a critical management measure for tropical tunas during the virtual 95th annual meeting held on 30 November – 4 December 2020. Like other tuna RFMOs, IATTC decision-making is consensus based, whereby all members must reach agreement in order for a management measure to be adopted.

IATTC's existing three-year measure for tropical tunas (Resolution C-17-02) was due to expire on 31 December 2020. IATTC scientists advised at a minimum to maintain the 'status quo' in order to keep fishing pressure at current levels close to established target reference points. Existing measures include a 72-day purse seine fishing closure, limits on the number of active drifting FADs per purse seine vessel, non-entangling FAD design and a limit on longline bigeye catch levels.⁶ All IATTC members besides one supported a one-year roll-over of the existing measure. Colombia opposed the rollover calling for support for its proposed strengthened three-year measure which in its view, better incorporates scientific advice and the precautionary approach than the existing measure.⁷ While presumably well-intentioned, Colombia's opposition resulted in there being no consensus reached, leaving IATTC without a legally binding management measure in place for skipjack, yellowfin and bigeye from 1 January 2021.

This outcome was met with immediate concern and widespread calls, particularly from NGOs – Pew, ISSF and the Global Tuna Alliance – to schedule a special 'emergency' session to establish rules for 2021 to avoid unregulated fishing. Potential consequences cited for having no measure in place included increased fishing pressure resulting in stock status declines, undermining of IATTC's reputation

**COVID-19
delayed progress
in WCPFC
harvest strategy
development**

**Colombia
initially opposed
a one-year
rollover of
IATTC's tropical
tunas measure
which would
have resulted
in unregulated
fishing of
tropical tunas in
the EPO in 2021**

concerning its ability to effectively manage tuna stocks, suspension/delays in Marine Stewardship Council (MSC) certifications and market-based boycotts of EPO tuna.⁸ Mexico's proposal for an extraordinary meeting was supported by IATTC members and was held on 22 December. During this meeting, consensus was reached on a decision to roll-over the existing measure in 2021. It was also agreed that an ad hoc working group would be convened on improved FAD management in May 2021, as well as an extraordinary meeting no later than June 2021, ahead of the annual session in August to progress the development of a new comprehensive science-based tropical tuna management measure for 2022 onwards.⁹

FISHERIES REGULATION

Kiribati IUU 'yellow card' lifted by European Commission

On 4 December 2020, the European Commission (EC) announced that it had lifted the 'yellow card' imposed on Kiribati on 21 April 2016.¹⁰ A 'yellow card' is an official warning issued by the EC to a third country of being identified as 'non-cooperating' in tackling illegal, unreported and unregulated (IUU) fishing by failing to discharge its obligations as flag, coastal, port and/or market state under international law.¹¹ At the time of imposing the yellow card, the EC raised concerns about Kiribati's ability to control foreign fleets fishing in its waters and its lack of a robust traceability system for fisheries products to ensure illegally caught fish is not laundered through Kiribati ports.¹²

In its lifting of the yellow card on 4 December 2020, the EC identified measures taken by Kiribati that resulted in the decision to lift the yellow card. Those measures included: a comprehensive review of Kiribati's fisheries legal framework; full reform of its fisheries control system for vessels transshipping and landing in Kiribati; strengthening of its monitoring, control and surveillance tools; improving controls and requirements for port entry and port use; setting conditions for importing and exporting fishery products; strengthening administrative procedures; improved cooperation with other flag states operating in Kiribati's waters; and, significant reinforcement of the human resources available for the fight against IUU fishing.¹³

The lifting of the yellow card was preceded by the notice from Kiribati to the European Commission of Kiribati's Competent Authority(s) to carry out their obligations relating to various management and control tasks as required by the EU IUU Fishing Regulation. The primary Competent Authority notified is the Ministry of Fisheries and Marine Resources Development, with the Ministry of Information, Communications, Transport and Tourism responsible for registering fishing vessels under Kiribati flag.¹⁴

In addition to the Competent Authority for IUU purposes, since 16 June 2017, Kiribati has had a Competent Authority, the Seafood Verification Unit within the Ministry of Marine Resources and Development, recognized by the EC's Directorate General for Health and Food Safety (DG SANTE) to ensure compliance with the EU's stringent food safety requirements. According to one expert in Pacific Islands fisheries trade with the EU, although Kiribati is (and has been) administratively able to access the EU market, significant challenges remain, particularly those related to Kiribati's relative remoteness in the Pacific.¹⁵

IUU fishing measures taken by Kiribati include a fisheries legal framework review, reform of its control system for foreign vessels operating in its waters and strengthened MCS tools

In addition to Kiribati, five other Pacific Island countries have been issued yellow cards with all lifted. Those countries (date issued/lifted) are: Fiji (Nov 2012/Oct 2014), PNG (Jun 2014/Oct 2015), Solomon Islands (Dec 2014/Feb 2017), Tuvalu (Dec 2014/Jul 2018), and Vanuatu (Nov 2012/Oct 2014). Technical support has been provided by FFA to assist each of these countries in addressing shortcomings meeting the EU's IUU Fishing Regulation requirements.

Globally, the EC has issued 26 yellow cards since the system began, with six still in force and six resulting in red cards. Of those six red cards, three countries are still listed as non-cooperating (Cambodia, Saint Vincent and the Grenadines and Comoros) while three have had the red card removed.¹⁶ So far, 92 third countries have notified the Commission that they have in place the necessary legal instruments, the dedicated procedures, and the appropriate administrative structures for the certification of the catches by vessels flying their flag.¹⁷

Japan passes new law banning IUU imports

In December 2020, Japan's Diet (parliament) passed a new law setting out a series of implementation steps to ban import of IUU-seafood, which is likely to be implemented before the end of 2022.¹⁸ The *Improvement of Domestic Trade of Specific Marine Animals and Plants Act* does not yet appear to be available in English.¹⁹ It follows the EU IUU Fishing Regulation and the USA's Seafood Import Monitoring Program on IUU, which were implemented in 2010 and 2018 respectively. This means that over 50% of all global seafood imports are now covered by IUU import regulations.

The new law is reportedly a hybrid of the EU and USA models of blocking IUU seafood imports and consists of the following core elements:²⁰

1. Fishers who harvest particular high IUU risk species shall report to authorities and acquire a unique harvest number before selling to buyers. Fish buyers, distributors and processors shall also report their activity to prevent IUU in Japan.
2. Catch information will be transmitted with the fish throughout the supply chain.
3. Records will be created and stored providing information such as name, weight or quantity, date, name of the other party, catch number, etc.
4. High IUU risk species designated by Japanese government shall not be exported without valid catch certificates issued by the government.
5. Import restrictions require a catch certificate issued by a foreign government agency.

NGOs such as WWF and The Nature Conservancy have celebrated the move. However, it will take a stated maximum of two years to implement the law. There is also some debate around what species will be prioritised (tunas are highlighted as one genus that should be), the extent to which the law will be based on electronic data and thus save time and costs for operators, and how international cooperation will work out in practice (e.g. with the EU and US).²¹

In addition to Kiribati, five other PICs have been issued EU 'yellow cards' and had them lifted

Japan's law on IUU trade is likely to be implemented before the end of 2022



Fourteen countries develop framework and commitments for a transition to ocean sustainability

While the United Nations Intergovernmental Conference to develop a legally binding instrument on biodiversity in areas beyond national jurisdiction has been paused due to COVID-19, leaders of government in Fiji and Palau along with 12 other countries – Australia, Canada, Chile, Ghana, Indonesia, Jamaica, Japan, Kenya, Mexico, Namibia, Norway, and Portugal – have committed to a series of pledges on ocean sustainability that relate to EEZs and the high seas. The shores of the 14 countries known collectively as the ‘Ocean Panel’ represent roughly 40 per cent of the world’s coastlines and 30 per cent of exclusive economic zone area. The Ocean Panel has developed recommendations and actions to target a ‘triple-win’ of advancing a sustainable ocean economy, prioritizing a healthy ocean, and sustainable production to benefit people everywhere. The Ocean Panel’s plan applies to 100 per cent of the ocean and begins with coastal and ocean states working together regionally and globally to safeguard areas beyond national jurisdiction.²²

Specific commitments are detailed for a range of sectors, including these priority actions related to achieving ‘sustainable ocean food’:

- Eliminating illegal, unreported and unregulated fishing by incentivizing the use of the latest innovations and technologies – such as digital traceability – to increase transparency; strengthening monitoring, control and surveillance; improving flag state control; effectively implementing the Port State Measures Agreement; and enabling enhancing collaboration amongst all stakeholders in supply chains.
- Prohibiting harmful fisheries subsidies that contribute to overcapacity, overfishing, and IUU fishing.
- Minimizing bycatch, discards and waste in seafood supply chains.
- Developing, adopting and implementing science-based plans to rebuild depleted stocks, including to respond to uncertainties and changes associated with climate change.
- Strengthening RFMOs including by using the precautionary approach, harvest control rules, and implementing meaningful consequences for exceeding quotas.
- Exploring potential for sustainable management of new species.
- Developing management frameworks for sustainable aquaculture.

Each country on the panel has committed to implementing the recommendations and are urging other countries to join. Ocean advocates are lauding the holistic approach the initiative takes across oceans and sectors and techniques.²³ Supporters are highlighting that while many of these goals and targets feel familiar and overlap with existing international commitments, Ocean Panel leadership and government commitments are action towards comprehensive change.²⁴

The Ocean Panel aims for sustainable development in 100 per cent of the world’s ocean

Ocean panel goals on ‘sustainable ocean food’ target IUU fishing, subsidies and urge science-based management plans



TUNA INDUSTRY

Chinese investment in PNG 'Fishery Industrial Park'

Fujian Zhonghong Fishing Co – a little known Chinese firm in tuna circles – has agreed to a US \$200 million plan to construct a 'Comprehensive Multifunctional Fishery Industrial Park' on Daru Island in the Western Province of PNG.²⁵ The operational scale and commercial scope of the investment is not known, but it is anticipated that the project will not focus on tuna. China's Ministry of Commerce has stated that the investment fits with China's Belt and Road Initiative and that the Park will improve the potential for PNG fish exporters to access China's market.²⁶

Given the shaky record of other distant water fishing companies' onshore investments in return for long-term, strategic fishing access to PIC EEZs, a major concern regarding this investment is the extent to which the seafood caught by this fleet will be processed in PNG. There is a considerable pull factor involved in the shape of the Fuzhou Lianjiang National Ocean Fishery Base – in the capital of Fujian where the investor in PNG is based. This huge new seafood complex in Fuzhou is a component of China's 14th Five-Year Plan for 2021-25 based on the idea of a 'Double Development Dynamic' which places a premium on innovation. The Fuzhou complex has ambitious targets for the volume of *raw material* expected to be offloaded there from China's DWF, where it is will be processed locally, including making innovative products such as collagen from tuna bones.²⁷

One report interviewing people in Daru found a lack of local knowledge of the deal and some concern on the impacts on local fishers, but also a strong demand for new jobs in a largely underdeveloped region of PNG.²⁸ The new Fishery Industrial Park may also be part of Prime Minister James Marape's broader strategic engagement with China, including the reported hope of entering into a free trade agreement and plans for the restructuring of PNG's public debt with loans from China.²⁹

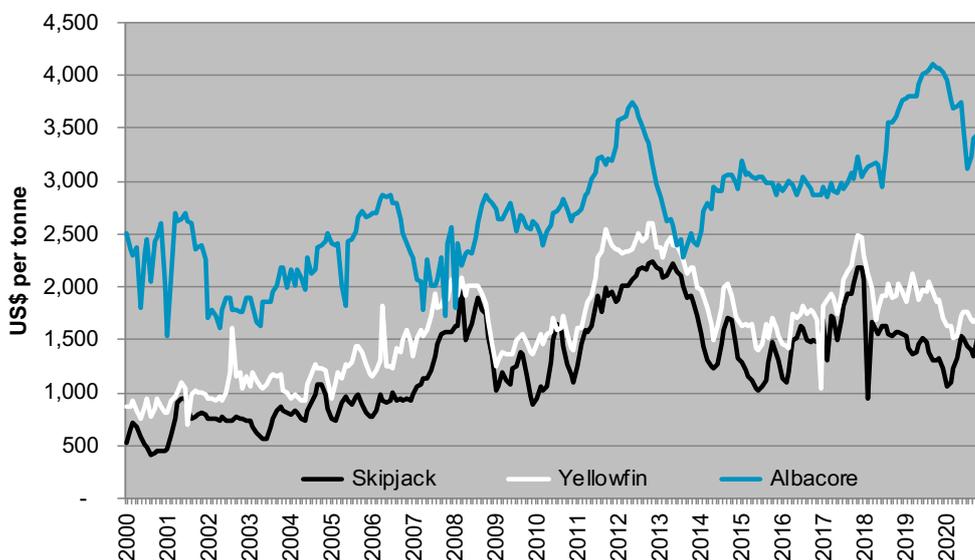
The location of the Park has raised concerns in Australia on two counts. First, that it sits on the Torres Strait giving access to fisheries that are currently under long-term management measures and reportedly targeted by smaller-scale fishers targeting rock lobster.³⁰ The second concern is the claim that the investment will generate conflict given how close it is to Australian island territories. Chinese sources have rejected these concerns and laid emphasis on the developmental potential of the investment in the Park and points out that Australian seafood exports such as lobster depend on China's market.³¹

Chinese fishing company signs MOU to invest US\$200 million in Daru Island, Western Province, PNG

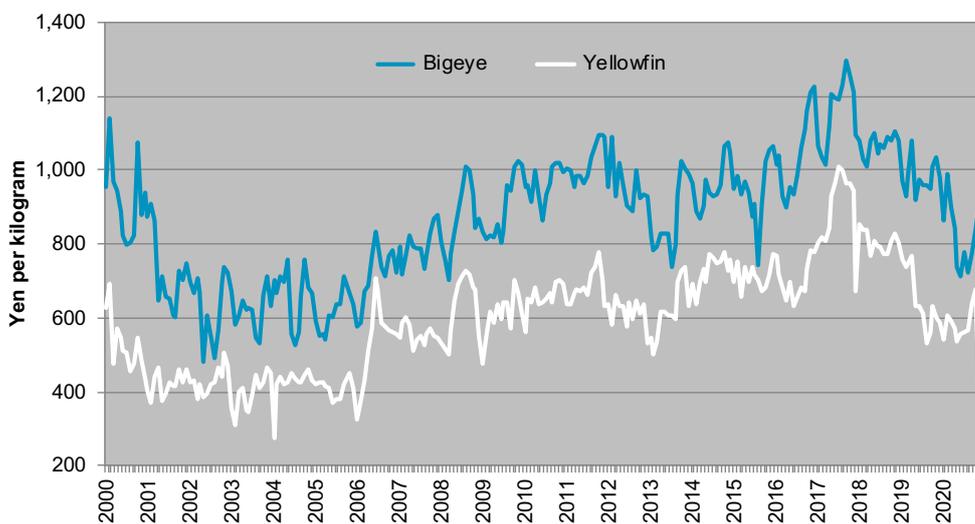
Questions raised around commercial scope of the investment and possible geopolitical and environmental impacts on Torres Straits

TUNA PRICE TRENDS³²

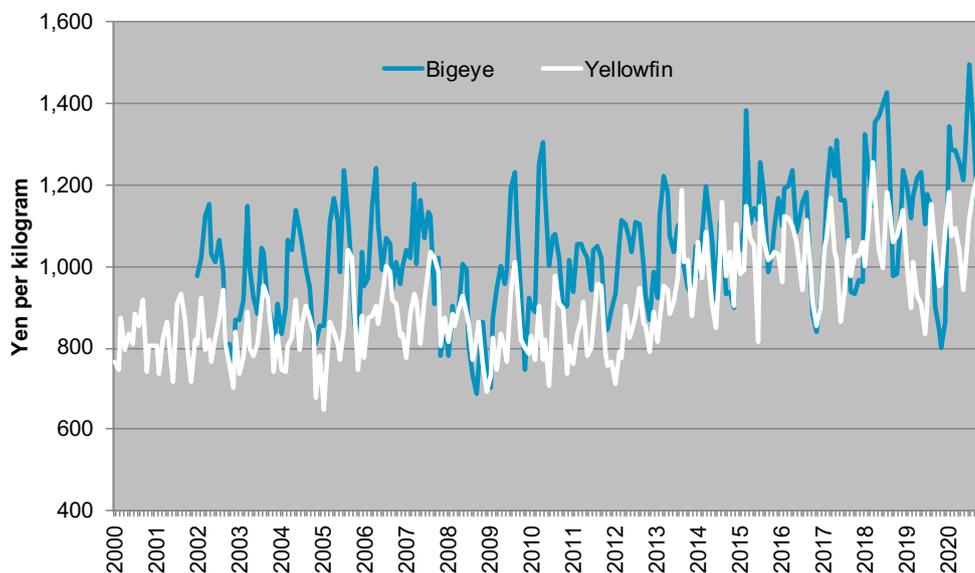
Bangkok canning-grade prices to November 2020³³



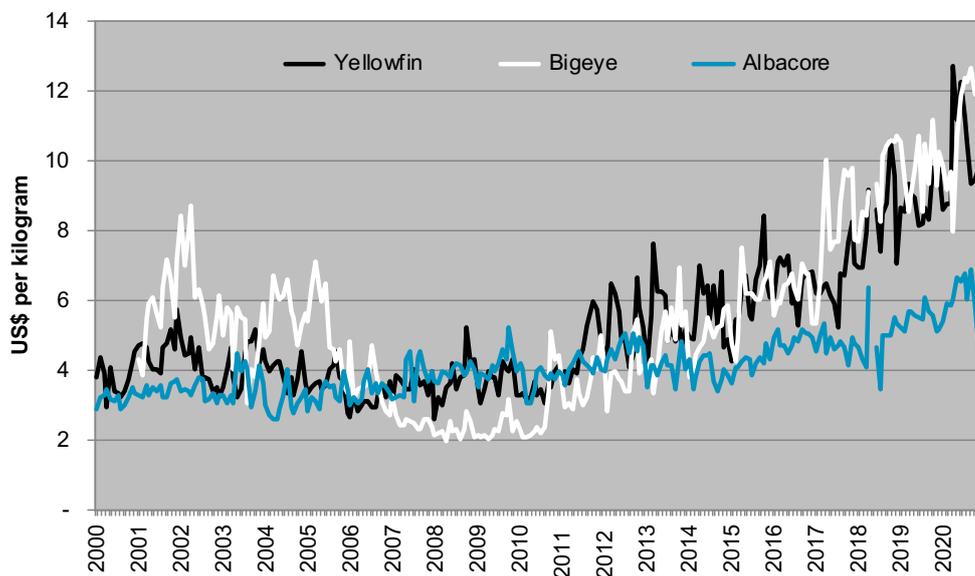
Japan frozen sashimi prices (ex-vessel, Japanese ports) to November 2020³⁴



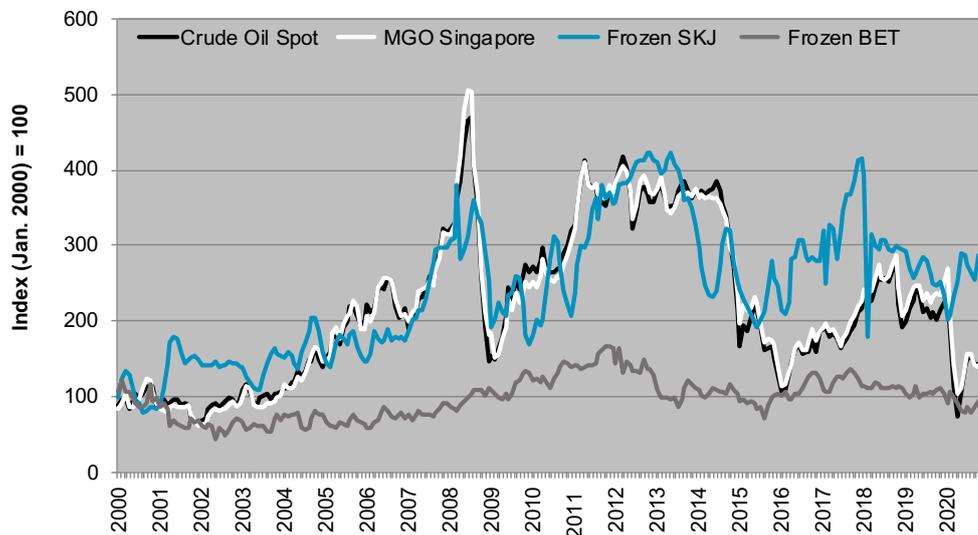
Japan fresh sashimi prices (origin Oceania) to November 2020³⁵



US imported fresh sashimi prices to November 2020³⁶



Crude oil, canning-grade frozen skipjack (SKJ) and frozen bigeye (BET) price index to November 2020³⁷



¹ Prepared for the FFA Fisheries Development Division by Professor 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 FFA 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.

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