



PREFERENTIAL & FISHERIES TRADE

Uncertain future for Pacific-EU relations post-Cotonou Agreement

The Cotonou Partnership Agreement has governed relations between the African, Caribbean and Pacific (ACP) Group of States and the European Union since 2000 and is due to expire in February 2020. Negotiations on post-Cotonou ACP-EU relations are due to start in September 2018. Currently, it is unclear what sources of leverage ACP have in shaping these negotiations. The relationship under Cotonou can be usefully divided into three components – trade, political relations and aid.

Non-reciprocal preference trade relations under the Cotonou Agreement were superseded by a network of (Interim) Economic Partnership Agreements (EPAs) with ACP regions. As such, the ‘card’ of access to ACP markets has already been played leaving little economic leverage to influence the EU. The EU-Pacific States EPA joint committee met in October, consisting of the EU, Fiji and PNG (note that Fiji and PNG have established Interim-EPAs with the EU). Samoa and Solomon Islands sat as observers because of their recent notifications of intent to accede to the Interim EPA, potentially as early as the first half of 2018.² The meeting covered mainly technical issues, although the EU continued to pursue its stated agenda of sustainable development in fisheries. Those Pacific ACP countries that are not Interim EPA signatories access the EU market non-reciprocally under the Generalised System of Preferences, such as the Everything But Arms (EBA) initiative for Least Developed Countries, in the case of Solomon Islands. No other trade dimensions of post-Cotonou EU-Pacific Island relations are currently envisaged.

Politically, the ACP-EU relationship is rarely built on in multilateral fora; instead, it is an inward facing and outdated political construct, built mainly around development cooperation.³ In November 2016, the European Commission set out what it sees as some building blocks for a post-Cotonou political partnership with the ACP countries. The EU seeks to pursue an ‘umbrella’ approach that would preserve the Cotonou *acquis* (i.e. a very general agreement to cooperate on ‘common values’, etc.). This would be operationalised around three ‘regional partnerships’ with Africa, the Caribbean and the Pacific islands respectively.⁴ However, most examples focus on Africa relations, and to a lesser extent the Caribbean. The Pacific ACP receives little substantive consideration. Post-Cotonou EU relations with PICs are likely to be articulated in large part through its Overseas Countries and Territories (OCTs), such as New Caledonia and French Polynesia, which joined the Pacific Islands Forum last year. The ACP’s approach, outlined in March 2017, is focused on maintaining development cooperation and there is little on offer to entice the EU in terms of its political economy interests.⁵

EU aid to the ACP is disbursed mainly through the European Development Fund (EDF). The EDF is worth an estimated €30.5 billion for the period 2014-2020. Around €26 million of this was provided to PICs in 2015, with a forecast of €20 million in 2016.⁶ The Pacific states have been underutilising the intra-ACP component of EDF funds and parties recently ‘committed to finding ways of improving access’.⁷ The EU’s current ‘Consensus on Development’ aligns funding priorities with the United Nation’s Sustainable Development Goals.⁸ This indicates that the EU is increasingly centralising its development policy and is doing so around *global* policy priorities, thereby further eroding any ‘special relationship’ between the EU and the ACP group.

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WTO compliance panels side with US on tuna-dolphin dispute

As reported over the years in the *FFA Trade and Industry News*, the US and Mexico have long been engaged in disputes over the US dolphin-safe labelling policy, with the back and forth making its way through the WTO legal system. Five years ago, Mexico claimed a victory when the WTO Appellate Body ruled that the US policy violated global trade rules by discriminating against imported Mexican tuna products. The WTO's rationale for that particular decision was that the US' original rule unfairly targeted Mexican purse seiners and fishing location, failing to account for possible dolphin deaths that could be caused from other tuna fishing methods or in other geographical areas.⁹

That ruling required that the US change its policy to eliminate the discrimination. In accordance, the US made changes to the policy in 2013, but the WTO determined that these were not sufficient to eliminate the discrimination. The US again revised the rules in 2016 to require that purse seine gear and other gear types are eligible for the dolphin safe label, provided it can be certified that dolphins are not seriously hurt or killed in the process and that no equipment was used intentionally to encircle dolphins in the efforts to catch tuna. The eligibility is enforced by certification, tracking and verification requirements.¹⁰

Both the US and Mexico requested for panels to review whether the changes were sufficient to bring the rule into compliance with the WTO. The panels found that the US modifications do address the varying risks posed by all the different fishing methods, and thus, eliminate the discriminatory components of the original rules. In short, the US' revised dolphin safe labelling policy can remain in force, seeming to bring the eight plus year dispute to a close.

The US Trade Representative welcomed the findings of the panel, emphasizing that the Trump Administration is committed to defending US rights to develop and enforce environmental measures that also facilitate fair trade.¹¹ The International Marine Mammal Project, the environmental organization that established the label and verification process, celebrated the ruling, calling it a victory for dolphins.¹² Mexico indicated that it plans to appeal the result.¹³ Notably, the decision comes as the US, Mexico and Canada have been engaged in tense and reportedly fraught negotiations over the future of regional trade relations presently governed by the North American Free Trade Agreement (NAFTA).¹⁴ For fishing vessels active in the WCPO extracting tuna destined for the US market, the outcome maintains the status quo: those vessels were required to comply with the most recent US regulation while the dispute was being considered at the WTO.

FISHERIES REGULATION

Vietnam receives EU-IUU fishing 'yellow card'; Thailand and Taiwan yet to be lifted

On 23 October 2017, Vietnam became the latest country with significant tuna fishing and processing interests to receive a 'yellow card' warning from the European Union for being potentially non-cooperating in the fight against illegal, unreported and unregulated fishing (IUU).¹⁵ This warning apparently follows a long period of informal discussions between EU and Vietnamese Authorities, which have taken place since 2012. One of the key issues underpinning the warning is Vietnamese 'blue boats' illegally fishing in waters of nearby countries, as well as Pacific Island countries. In March 2017, three Vietnamese vessels were arrested for illegally fishing in Solomon

The political ties between the EU and the ACP are set to become looser

The Pacific ACP currently underutilise intra-ACP EDF aid; it seems unlikely that an equivalent fund will be available to PICs post-Cotonou

The WTO has ruled that the US 'dolphin safe' rule can stand

Islands waters.¹⁶ Other countries including Indonesia, Palau, Federated States of Micronesia and New Caledonia also report the illegal presence of Vietnamese vessels in their waters.¹⁷ The EU has also highlighted Vietnam's ineffective system of sanctions to deter IUU fishing activities, as well as poor systems controlling local landings of fish which are processed for export to markets including the EU. The Commission has proposed an action plan and will offer technical support to help Vietnam to address the identified shortcomings over the next six months. If the EU finds that Vietnam has not shown the necessary commitment to address these issues, a 'red card' may be issued, resulting in a ban on Vietnamese fisheries products entering EU markets.

Just prior to the EU issuing its 'yellow card' warning, the US National Ocean and Atmospheric Administration (NOAA) also warned Vietnam to improve its systems for deterring IUU fishing, ahead of the US' new Seafood Import Monitoring Program (SIMP) coming into effect on 1 January 2018, which requires robust traceability for imported seafood entering the US.¹⁸

The Vietnam Association of Seafood Exporters and Producers (VASEP) has responded swiftly to the 'yellow card' warning, proposing the establishment of an IUU fishing working group and the development of a six-month working plan for government and industry. VASEP has also appealed to the Ministry of Agriculture and Rural Development to consider the EU's recommendations when reviewing its latest draft fisheries legislation and have its Minister head a delegation to work with EU officials in Brussels in November on IUU issues. VASEP has also established a Memorandum of Understanding with the Vietnam Coast Guard High Command to coordinate implementation of Vietnam's national action program on combatting IUU fishing.

Vietnamese seafood exporters have expressed concern that the 'yellow card' warning will drive up production costs, as 100% of shipments exported to the EU will now require border inspections which take 3-4 weeks, resulting in additional storage charges of €700/container. Given the 100% inspection rate, there may also be a higher proportion of rejected containers, which must then be returned to Vietnam at a cost of €4,000-€5,000 per container, rendering Vietnamese products uncompetitive in the EU market.¹⁹

Meanwhile, Thailand and Taiwan, both significant global tuna industry players, are hopeful of soon having their 'yellow card' warnings lifted. The EU will reportedly soon send a delegation to Taiwan to assess progress made since receiving the warning in October 2015. Taiwan has put in place a number of measures to combat IUU fishing including revisions to fisheries legislation, strengthened fisheries management and enhanced monitoring technology.²⁰ EU authorities are confirmed to visit Thailand in November, which was also issued a 'yellow card' warning in 2015. Like Taiwan, the Thai Government and industry have been working hard to address IUU fishing and labour abuse-related issues. In September, Thai fishermen in 22 seaside provinces protested on National Fisheries Day against the EU's stringent IUU fishing regulations. Thai Fisheries Association Chairman, Mongkol Sukcharoenkana, indicated that the fishermen were protesting to signal their unhappiness with the EU's "double-standard" regarding the Thai fishing industry and that the IUU fishing regulation is being used as a trade barrier, rather than as a means of preserving marine resources.²¹

***Vietnamese
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***Thai fisherman
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EU's IUU fishing
regulation***

EU toughens regulation of its distant water fishing fleet and potentially, others

The European Union is revising the legal governance of its distant water fleet (DWF), including tuna longliners and purse seiners. On the one hand, it is toughening the regulation of its own fleet, and on the other, it is also hoping to toughen the regulation of foreign fleets.

Proposed new regulation agreed by the European Council and European Parliament includes, among other things, an important new provision on re-flagging EU-owned boats. If after a five-year period of using a non-EU flag, a vessel applies to return to an EU member's vessel registry, it must demonstrate that it has not engaged in IUU activities 'nor operated in a non-cooperating country or a third country identified as allowing non-sustainable fishing'.²² This is a major reform as it introduces a new layer of risk that acts as a potential disincentive to re-flag. For example, under its IUU fishing regulation the EU may designate a third country as being non-cooperating in the fight against IUU fishing, by issuing a 'red card' after an EU owned boat has already re-flagged there.

Another highlight of the new regulation is that if a European boat owner seeks to operate beyond EU waters it must be authorised by its EU flag state. In addition, the owner must provide a scientific demonstration of 'the sustainability of the planned fishing operations', including compliance with Article 62 of UNCLOS, which contains the so-called 'use it or lose it' clause and other requirements demanding considerable amounts of information on the fishery in question. Further, if an EU vessel wants to fish on the high seas outside the responsibility of RFMOs it must provide a scientific assessment 'demonstrating the sustainability of the proposed fishing'.

In parallel, the Fisheries Committee of the European Parliament tabled a proposal in October that aims to set a 'level playing field' for EU and third countries' fishing vessels. It seeks to prohibit transshipment at sea, a prohibited practice for EU-flagged vessels when in EU waters but not for all third country's vessels. This was added-on to a European Commission proposal to incorporate any binding recommendations of the International Commission for the Conservation of Atlantic Tunas (ICCAT) into EU law.²³ The Member of the European Parliament promoting this add-on claimed that 'It is imperative to make every effort to export European sustainability standards to third country fleets'.²⁴

FISHERIES MANAGEMENT

Summary of WCPFC TCC13 outcomes²⁵

From 27 September – 3 October 2017, the Western and Central Pacific Fisheries Commission's Thirteenth Technical and Compliance Committee meeting (TCC13) was held in Pohnpei, Federated States of Micronesia. The meeting was attended by around 170 delegates representing 29 Commission Members and Cooperating Non-Members (CCMs) and 6 observers. Recommendations from TCC13 on technical and compliance matters will be taken up at the WCPFC's Fourteenth Annual Session to be held from 3-7 December in Manila, Philippines.

Following is a summary of some key outcomes from this meeting:

- No new vessels were recommended by TCC13 for addition to WCPFC's IUU Vessel List; three existing longline vessels will remain on the list.

EU-owned boats under non-EU flag over five years will need to prove they were not engaged in IUU activities to re-flag to the EU

No new vessels are recommended for addition to the WCPFC IUU list

- Applications for Cooperating Non-Member (CNM) status for Ecuador, El Salvador, Liberia, Mexico, Panama, Thailand and Vietnam will be presented to WCPFC14 for consideration; Ecuador, El Salvador and Mexico have reiterated interest in becoming full Commission members; compliance status of CNMs will be taken into account when assessing CNM applications and associated participatory rights.
- The Compliance Monitoring Review (CMR), during which CCMs' compliance with obligations in WCPFC's conservation and management measures (CMM) is assessed, was conducted for the seventh year and in closed session. An independent review of the Compliance Monitoring Scheme (CMS) is currently underway, resulting in a TCC13 recommendation to extend the existing CMS measure for one additional year (CMM 2015-07), which is due to expire on 31 December 2017.
- Agreement was made to form an inter-sessional working group to address the need for CCMs to obtain copies of regional observer reports for their vessels in a timely manner for investigating possible violations; currently, considerable delays are experienced by some CCMs in receiving these reports.
- A recommendation was made to WCPFC14 to consider draft electronic reporting standards for observer data; TCC13 noted draft electronic reporting standards for high seas transshipment declarations and notifications.
- CCMs are recommended to comply with the existing data and reporting requirements for transshipment (CMM 2009-06), particularly those who have made a determination of impracticability regarding transshipment in port for large-scale longliners, who are required to submit to the Commission a plan detailing what steps are being taken to encourage transshipment to occur in port in future.
- TCC13 supported an SC13 recommendation that as a first step in FAD marking initiatives, the Commission considers introducing a buoy identification scheme, with field tests undertaken to determine the optimum configuration for future development of a full marking system; there is also a need for FAD data to be provided by observers for all vessels involved in FAD activities.
- TCC13 requested the Secretariat prepare draft terms of reference for the development of a comprehensive shark and ray CMM, which may consolidate and build-on multiple existing shark CMMs; TCC13 recommended a range of points that could be considered relating to full utilisation, data relating to non-retention policies, guidelines for safe release, mitigation measures, use of wire leaders and shark lines, submission of shark management plans and consolidation of reporting requirements.
- A US paper was noted on potential amendments to the existing sea turtles measure (CMM 2008-03) covering longline mitigation measures, development of specifications for non-entangling FADs and additional sea turtle-related observer data fields.
- New Zealand proposed amendments to the existing seabirds measure (CMM 2015-03) regarding seabird mitigation measures, recommending use of a hook-shielding device as an alternative stand-alone mitigation option, changes to specifications for tori lines on small vessels less than 35 metres and line weighting in line with best practices.
- TCC13 discussed technical and compliance issues relating to the new

bridging tropical tunas CMM to replace CMM 2016-01. Discussions briefly covered issues including retention of MCS provisions, exemption clauses, frequency of VMS reporting requirements during the FAD closure, responses to non-compliance, stronger control of limits through robust monitoring, review of charter provisions and inclusion of non-ambiguous language.

- Marshalls Islands introduced a new draft CMM proposal on marine pollution urging CMMs to ratify MARPOL and the London Protocol. The proposal also prohibits vessel discharges of waste (oil/fuel, garbage, sewerage, fishing gear), includes annual reporting requirements to WCPFC on marine pollution, calls for research on fishing-related marine pollution, adequate port facilities to receive vessel waste and retrieval of abandoned, lost or discarded fishing gear.
- Korea introduced a new draft CMM on a standard of conduct for Regional Observer Program (ROP) observers which sets out requirements for observers while on duty and actions to be taken against observer misconduct. Unlike the existing Code of Conduct for observers, Korea's intention is to have a binding CMM which is subject to review under the Compliance Monitoring Scheme.

TUNA INDUSTRY

'On the Hook' & IPNLF object to PNA MSC fisheries re-certification

PNA's purse seine free-school skipjack and yellowfin Marine Stewardship Council (MSC) fisheries certification is nearing the end of its first five-year term and is in the process of re-certification. On 5 September 2017, PNA's MSC Certification Body (CAB), Acoura Marine, released a determination that the fishery should be re-certified, pending a 15-working day objection period.²⁶ On 26 September, an objection comprised of 24 different challenges to the re-certification was lodged by the International Pole and Line Foundation (IPNLF), on grounds that the CAB's determination is subject to a "serious non-procedural irregularity". IPNLF claims separating free-school sets as one component of a purse seine fishery and deeming this set type to be 'sustainable' under the MSC certification is artificial, as uncertified associated (FAD) sets also take place in the same fishing trip, targeting the same species in the same fishing area. IPNLF is concerned that none of the impacts of fishing operations on associated sets have been taken into account in the assessment, which undermines MSC's notion of rewarding sustainable fishing practices and driving improvements.²⁷ IPNLF's objection has been accepted and the re-certification has now entered into independent adjudication.

IPNLF's objection follows the 'On the Hook' campaign launched in late August by a group of NGOs, retailers, UK politicians and academics – together with UN Patron of the Oceans, Lewis Pugh and UK Celebrity Chef, Hugh Fearnley-Whittingstall, who previously launched the 'Fish Fight' campaign in 2010 to end discards. 'On the Hook' has strongly criticised MSC for certifying purse seine fisheries with mixed certified and non-certified set types occurring in a single trip, calling for the PNA free-school purse seine fishery to not be re-certified.²⁸ Interestingly, one of the key 'On the Hook' proponents is World Wise Foods, a major UK pole-and-line tuna importer, whose CEO, John Burton, is also the Chairman of the International Pole and Line Foundation. PNA has publicly responded to the 'On the Hook' campaign, claiming it is being driven "for commercial gain and increased market share for the proponents,

*Marshall Islands
is proposing
a new WCPFC
measure on
marine pollution*

*PNA's MSC
fisheries re-
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entered into
independent
adjudication,
following an
objection by
IPNLF*

rather than any sustainability issues like it is claimed".²⁹ 'On the Hook' also filed a complaint with the Dutch Advertising Standards Authority (Stichting Reclame Code) against Mitsubishi's Princes tuna, which uses MSC certified tuna sourced from the PNA fishery. 'On the Hook' claimed that Princes is misleading consumers through statements made on the cans, as it conveys a message that the fishery as a whole is MSC-certified and sustainable, which is not the case.³⁰

In June 2017, MSC convened a roundtable discussion with 40 stakeholders to review how the MSC currently defines units of assessment (UoA) in MSC certified fisheries, particularly in relation to certifications allowing vessels to fish on certified and uncertified UoA during a single fishing trip. Following this discussion, MSC drafted three potential options to address the issue which were circulated for stakeholder consultation in September. Option 1 requires improved recording and reporting in the certification report for any activity outside the UoA that takes place on a single fishing trip. However, activity outside the UoA would not be scored as part of the assessment. Option 2 requires any uncertified fishing activity to enter into a Fisheries Improvement Project (FIP) and then into MSC full-assessment within five years. Option 3 requires all fishing activity on a single trip to be certified.³¹ Feedback and options received from this consultation will be considered by stakeholders and MSC's technical advisory groups, with a recommendation to be put to the MSC Board in January 2018.³² At the same time, MSC also conducted consultation separately on strengthening Chain of Custody (CoC) requirements for at-sea traceability, particularly for high risk-fisheries where vessels have certified and non-certified catches on-board in a single trip.³³

On the PNA MSC re-certification, MSC has taken the position that intervening in an ongoing assessment of a fishery would contravene international best practice set by the United Nations Food and Agriculture Organisation and ISEAL, as well as its impartiality as the standard setter. In addition, MSC has indicated that any changes to the standard resulting from this Unit of Assessment issue, would not be made until, at the earliest, August 2018.³⁴

China continues subsidies to two large state-owned enterprises active in the WCPO

The Jan-Feb 2017 issue of *FFA Tuna Industry News* discussed past Chinese government subsidies to two firms, Shanghai Kaichuang Marine International and CNFC Overseas Fishery Co. Ltd (COFC) in the context of World Trade Organisation discussions on curtailing subsidies. The two large public companies, both of which are essentially subsidiaries of state owned enterprises (SOEs) in China and are active in WCPO tuna fisheries, received government subsidies again this year. COFC received its subsidy from the central government, while Shanghai Kaichuang's was received from both the central government and the Shanghai Municipal government. The granting of such subsidies continues government financial support for operations of the two companies, a practice that has become crucially important in contributing to profitability for the companies concerned.

Shanghai Kaichuang is listed on the Shanghai stock exchange and has been described in the press as one of the largest state-owned market-listed fishing companies in China (the other being CNFC Overseas Fishery Co. Ltd).³⁵ Shanghai Kaichuang shares are 95% or more owned by Shanghai Deep Sea Fisheries Co. Ltd, itself a wholly-owned subsidiary of Shanghai Fisheries General Corporation (Group) Ltd, a very large SOE based in Shanghai. A Shanghai Kaichuang subsidiary, Pan Pacific Fishing (RMI) Ltd, operates a loining plant in Majuro, Marshall Islands. In addition to 7

PNA has called out 'On the Hook' for seeking commercial gains



Chinese flag purse seiners, Shanghai Kaichuang has registered 3 purse seiners in the Marshall Islands, two of which were built in 2010 in a shipyard owned by a subsidiary of Shanghai Fisheries General Corporation.

Shanghai Kaichuang is increasingly involved in tuna processing. In addition to the Pan Pacific loining plant in Majuro, the firm acquired the Spanish canning firm Conservas Albo for a reported €61 million in 2016.³⁶ In 2017 Shanghai Kaichuang announced plans to invest the equivalent of €27 million in a “tuna processing mega-plant” in Zhoushan, Zhejiang.³⁷

In October, 2017 Shanghai Kaichuang reported its wholly-owned fishery unit received a government subsidy of CNY 102.8 million (\$15.5 million).³⁸ The source of the subsidy was not disclosed, but one report cited it as the “distant water fisheries development subsidy fund”, most likely coming from the Bureau of Fisheries of the Ministry of Agriculture.³⁹ (One published report in 2017 stated that the distant water fisheries development subsidy fund was actually the diesel fuel subsidy for fishing companies, its name having been changed in 2016.)⁴⁰

A separate, much smaller subsidy of CNY 5 million (\$753,000) was received recently by Shanghai Kaichuang from the Shanghai municipal government’s Shanghai City International Trade Development Fund.⁴¹

CNFC Overseas Fishery Co. Ltd is headquartered in Beijing and is listed on the Shenzhen stock exchange. The company operates a fleet of albacore longliners in the Pacific islands through its subsidiary, SeaFresh Fiji, Ltd, which in turn operates as Solong Fisheries in Solomon Islands. In addition to these operations, the company also participates in squid and saury fisheries elsewhere. In 2015 sales of tuna represented about 59% of company income, with squid 31% and saury about 7%.⁴² COFC’s subsidiary companies include a fish processing facility in Xiamen acquired in 2014, and a Beijing real estate company purchased in 2015. COFC sister company Zhongyu Global Seafood Co. Ltd operates as a subsidiary of COFC.⁴³ In addition to longliners, Zhongyu Global also owns and operates three Chinese flag tuna purse seiners in the WCPO purse seine fishery. COFC’s China branches are in Zhoushan (wharf and surrounding area), Yantai, and Dalian (Dalian Nancheng Ship Repair Ltd).

As previously reported in *FFA Tuna Industry News*, COFC received a subsidy of CNY 75 million (USD 12.2 million) in 2016, enabling the company to turn a profit that year.⁴⁴ In 2017 the company reported receiving government subsidies of more than CNY 100 million (\$15.1 million). COFC announced to its shareholders that the subsidy will have a “material effect” on the firm’s profit for the year.⁴⁵ The continued high level of subsidies to COFC from the central government is not surprising. According to one source, stock exchange rules require a company to de-list if the firm reports three consecutive years of losses, and that in four of the past six years’ subsidies have enabled CNFC to report a profit. According to that source at the time, the largest subsidies were received in 2012 and approached CNY 100 million, about the same amount as received for 2017.⁴⁶

US price-fixing whistle blower revealed; motion to add new defendants

The ongoing US Department of Justice (DOJ) price-fixing investigation has already resulted in the criminal prosecution and fining of Bumble Bee Foods. Bumble Bee and StarKist executives have pleaded guilty to conspiracy as part of the investigation. As the case has continued to unfold, Thai Union announced publicly that Chicken

**China’s
Shanghai
Kaichuang is
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processing**

**COFC continues
to receive
government
subsidies in
2017**

of the Sea had received conditional leniency under the DOJ Corporate Leniency Program. In exchange, the company, and subsidiary Tri-Union, which controls the US canned tuna producer Chicken of the Sea, are required to provide information to assist the DOJ's antitrust investigation of the packed seafood industry in the US. Thai Union reports that if Tri-Union continues to cooperate, neither Tri-Union nor any cooperating executives or employees within the scope of the investigation will face criminal fines, jail time, or prosecution.⁴⁷ The firm, however, may still be vulnerable to the numerous civil lawsuits filed by US customers and retailers. The DOJ collusion investigation began following a failed Thai Union bid to buy Bumble Bee, a bid that would have required anti-trust approval from the US government.⁴⁸

In the meantime, the scope of the civil lawsuits continues to grow. Three more retailers – Dollar General, Moran Foods, and Krasdale Foods – have added their name to the list of retailers suing the big three US brands.⁴⁹ Lawyers for food wholesalers have also filed a motion to add Bumble Bee Foods' CEO Chris Lischewski, the firm's owner private equity fund Lion Capital, and Big Catch, a Cayman Islands-registered holding company that directly owns Bumble Bee, as defendants in the price-fixing lawsuit. Documentation filed in support of the motion indicates that the plaintiffs are in possession of new, confirmed evidence in support of their motion. The request has come from lawyers representing plaintiffs in the 'direct purchasers' class – one of four groups of parties that claim they were damaged by the alleged price fixing. The court has not yet ruled on the motion.⁵⁰

Attention and resources turning to human trafficking in Thai fisheries

Attention continues to turn to human trafficking and poor labour conditions in seafood sectors, this time with a focus on the Thai Fishing Industry. The International Justice Mission (IJM), an anti-slavery organization, recently released a study conducted by the Issara Institute, a Thai NGO. The report is notable in two key ways.

The first is in its reported findings.⁵¹ The report focused on documenting the prevalence of forced labour and exploitation among fishermen on Thai fishing vessels, surveying current and former Burmese and Cambodian fishermen living in Thailand. The findings documented widespread patterns of trafficking and common patterns of labour abuses. Fishermen were interviewed about their experiences between 2011 and 2016 and the report highlighted the following trends from its findings:

- 37.9 per cent had been trafficked;
- 14.1 per cent were physically abused and 31.5 per cent reported witnessing a crewmate being abused at sea; and,
- 76.2 per cent accrued debt to an employer, broker or supervisor prior to beginning work.

It also emphasises government policy as central to preventing the problem, reviewing recent policy interventions that the Thai government has introduced to combat labour abuses. New policies include: increasing trafficking penalties and specifying that withholding identify documents or the use of debt bondage constitutes forced labour; issuing a criminal procedure act to enable the justice system to respond to trafficking cases and expedite and ease burdens and risks to victims; and developing an anti-trafficking agency. Related studies have drawn out the these and other related approaches to managing labour abuses (such as rolling labour into IUU

*Thai Union
announced its
role as whistle-
blower in price
fixing scandal*

*A new study
documents
labour abuses
in the Thai
fishing industry*



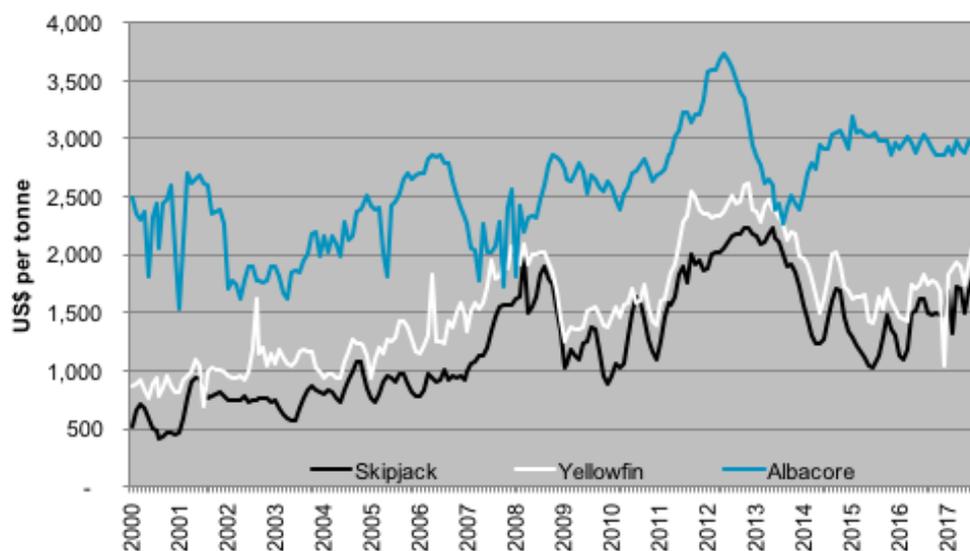
regulations and relying on traceability and supply chain logistics) have strengths and weakness for getting to the heart of a problem that involves mobile, and at times undocumented, migrant workers and mobile vessels that can be hard to track and regulate.⁵²

A second notable dimension of the report is that it originated through collaboration between the International Justice Mission and global retail giant, Walmart. The Walmart Foundation funded the study, and upon release of its results, announced further support to address human trafficking in the industry. A new grant of an undisclosed amount will enable IJM to build on funding from the US State Department's Office to Monitor and Combat Trafficking in Persons (TIP) and to focus attention on improving law enforcement against human trafficking.⁵³ The relationship represents a coupling of public and private sector resources to approach labour abuses in seafood value chains. For its part, Walmart's attention to the issues suggests that social accountability is now a permanent fixture in seafood value chains. Comments from Walmart representatives further suggest that transparency initiatives will be a central tool utilised to define and treat the problem from within the value chain, and that value chain actors will continue to put pressure on governments to strengthen their control over, and regulation of, labour abuses.⁵⁴

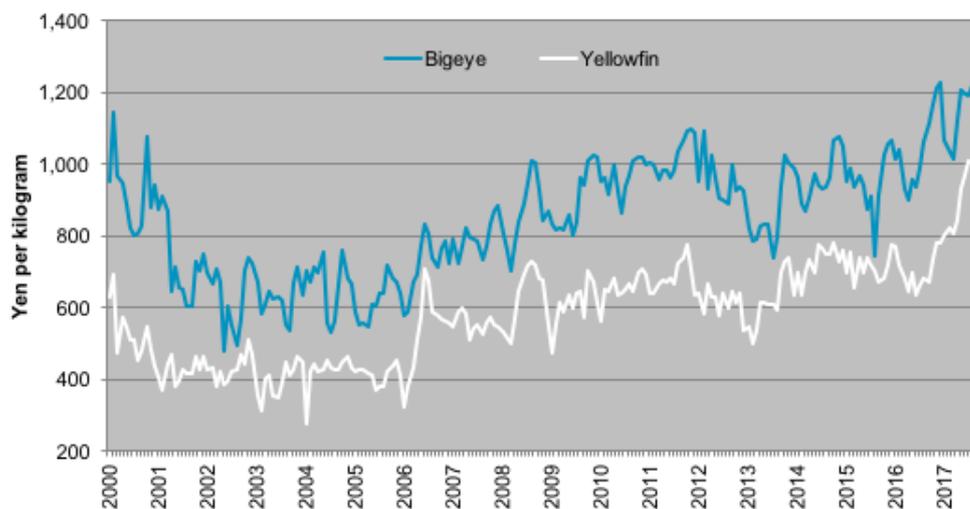
*Walmart's
support for
research and
policy on
trafficking
reveals growing
intolerance for
labour abuses
in global value
chains*

TUNA PRICE TRENDS⁵⁵

Bangkok canning-grade prices to August 2017⁵⁶

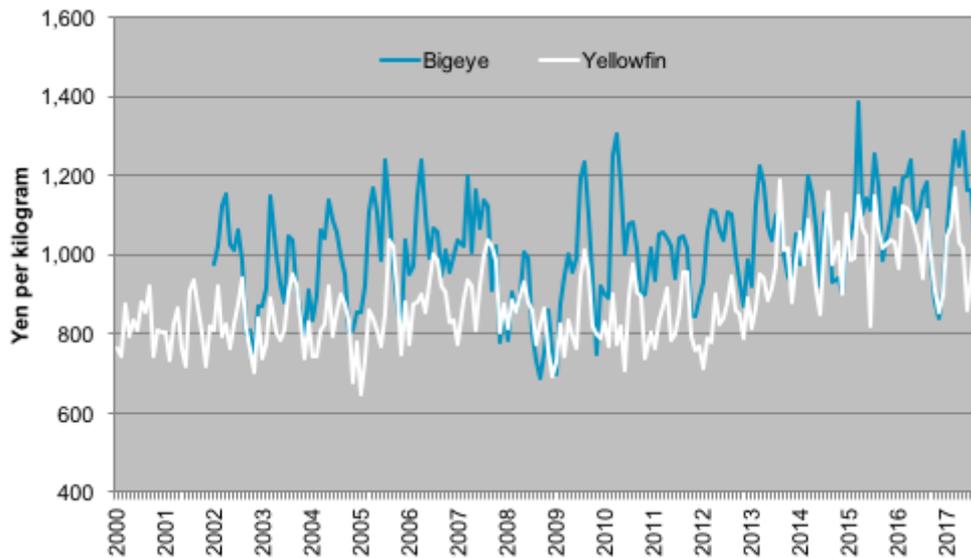


Japan frozen sashimi prices (ex-vessel, Japanese ports) to August 2017⁵⁷

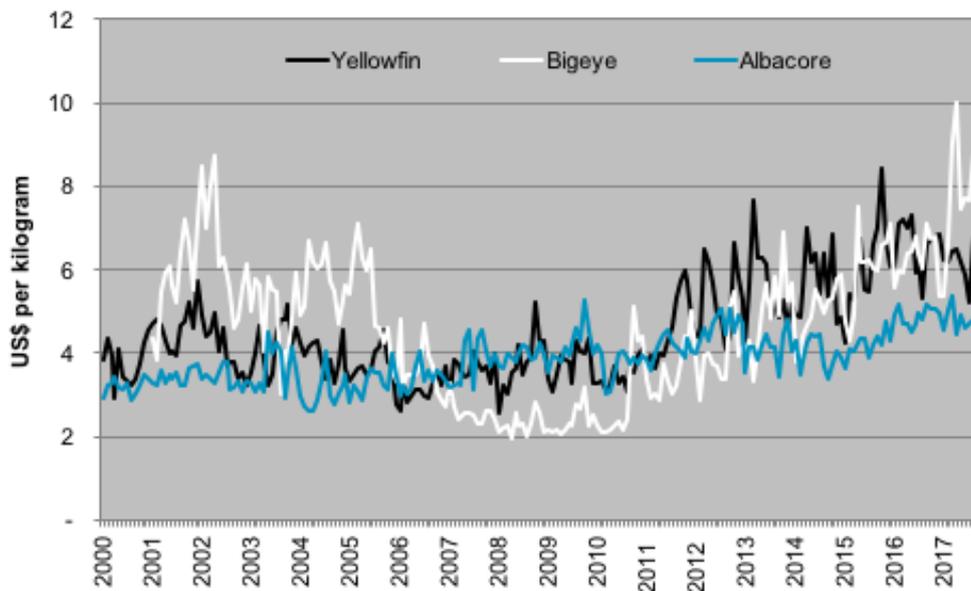




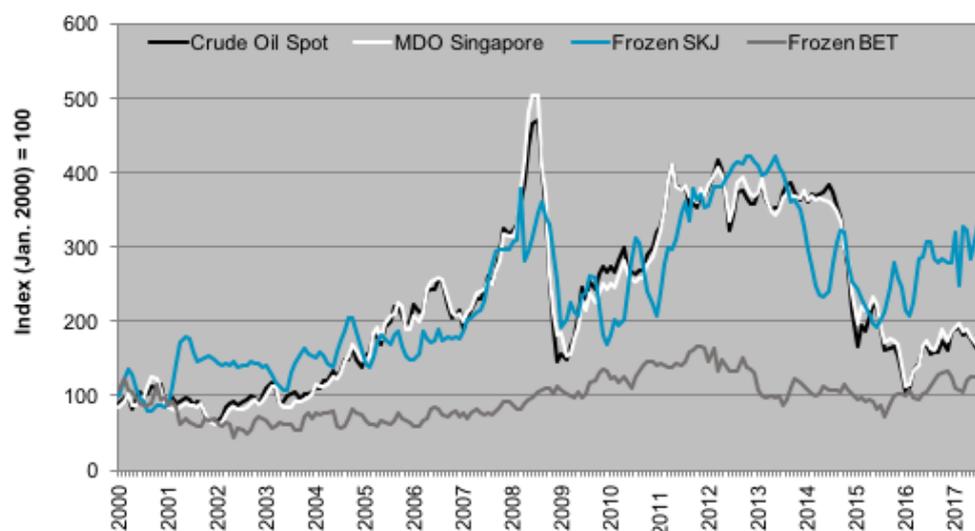
Japan fresh sashimi prices (origin Oceania) to August 2017⁵⁸



US imported fresh sashimi prices to August 2017⁵⁹



Crude oil, canning-grade frozen skipjack (SKJ) and frozen bigeye (BET) price index to August 2017⁶⁰



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