

Research for PECH Committee – Role and impact of China on world fisheries and aquaculture



Overview of the Chinese fishing fleet, aquaculture, and trade

There is a large discrepancy and uncertainty in the number of vessels of the Chinese distant water fleets (DWFs). The low estimate of 'visible' vessels is around 900; a higher estimate assumes that about 2000 'invisible' vessels must be added. However, the discrepancy may be that the larger number includes vessels operating in waters close to China, e.g., in Korea. Although the overwhelming majority of mariculture

production along China's coastlines consists of bivalves such as clams, mussels and oysters, which require no feed, the smaller tonnage of marine fish that are farmed, i.e., about 2 mt per year, generate a demand for feeds which has made China the world's major importer of fishmeal. This is becoming a problem in some West African countries, e.g., in Senegal, where the small fish that were consumed by people are now diverted to fishmeal factories and exported to China. The overall situation of the Chinese fish and seafood sector is, from an international trade perspective, one of transition. This transition is from a leading processor of fish raw material for re-export as primary products (fillet) increasingly towards one of sourcing aquatic products – many of them prime items and some processed – for domestic consumption. The other key trend is the steady replacement of primary by secondary processed products in the Chinese export offer.

The present document is the executive summary of the study on Role and impact of China on world fisheries and aquaculture. The full study, which is available in English can be downloaded at: <https://bit.ly/3VT7LrO>

Fishing access agreements

For the EU, the fleets deployed by Chinese companies, and their impact both on the fisheries resources in the Exclusive Economic Zones (EEZ) of various countries and on the positions of the governments of these countries, obviously represent serious competition and a challenge. It is difficult to suggest a stance for the EU fleets fishing in the EEZ of various countries of the Global South other than strict adherence to the letter and spirit of the fishing agreements and local legislation regulating their operations. To the extent that Chinese or other distant water fleets do not adhere to such regulations, this good-faith behaviour should lead, in the countries where, e.g., EU and Chinese fleet compete, to the EU gaining respect and, eventually, more advantageous terms.

Fisheries subsidies

Chinese fleets operating in Mauritania and Senegal received high levels of subsidies from the Chinese government, while those operating in Madagascar, Mauritius, Ecuador and the Solomon Islands seem to have little 'visible' information on subsidies. This suggests that transparency is an issue not only regarding the deployment of fleets and their catches, but also regarding subsidies.

Illegal, unreported and unregulated (IUU) fishing practices

The large number of vessels of the Chinese distant water fleets, and the various techniques that enable these vessels to 'go dark', increase the chances of IUU infractions. This happens in spite of the attempt by most of the focus countries studied here to mitigate such infractions by adhering to international initiatives. However, the continuous lack of necessary data in reporting such infractions hinders international mitigation initiatives.

EU-China cooperation and agreements

In part due to agreements such as the Blue Partnership for the Oceans, cooperation and dialogue between the EU and China at the bilateral level has significantly increased in recent years. However, obstacles to cooperation include conflicting geopolitical agendas and the potentially compromised role of the central institutions of the EU in light of individual agreements between China and some EU Member States. At the regional and global levels, Chinese-EU cooperation is encouraged through their participation in Regional Fisheries Management Organisations (RFMOs) and mutual promotion of ocean governance through recent agreements such as the Agreement to Prevent Unregulated High Seas Fisheries in the Central Arctic Ocean (CAOFA) and the WTO Agreement on Fisheries Subsidies.

Consequences for the EU

One of the most important environmental consequences of the Chinese fishing fleet on the EU's distant-water fishing activities is the depletion of fisheries stocks, which is associated with environmental degradation and results in reduced resource availability for all actors involved. Furthermore, illegal fishing undermines any form of good governance that the EU might hope to see introduced. The main consequence of illegal fishing is the direct competition with legal fishing at all scales and along the entire supply chain, which represents a form of unfair competition for the EU and other relevant stakeholders. In terms of consequences for the fishing fleet for the EU, the study highlights the impact on local communities in host countries; the reduced access to resources;

the unfair competition and the reduced availability of exported products. In addition, some of the consequences for the aquaculture sector are the impact on the fishmeal, on the EU caviar sector and on the Norwegian and Scottish salmon sectors.

Recommendations

Finally, the study suggests a series of recommendations focusing on how to best protect the EU against unfair global competition practices:

1. To develop an appropriate strategy to respond to China's increasing domination of global fishmeal supplies, and to secure EU access to this important resource.
2. With a view to the future, to encourage EU seafood firms to seek primary processing partners outside China, e.g., focusing upon partners in other developing countries with capable but more cost-effective work forces (e.g., Vietnam, Cambodia, South Asia as well as Latin American or African alternatives).
3. To protect EU access to fishing opportunities, considering China's expanding impact on access to fish stocks of interest to the EU, e.g., tuna, particularly in the Pacific and within the EEZ of Islands in the Western Pacific.
4. To encourage the Member States to refrain from negotiating individual agreements and to instead focus on cooperation with the EU's central institutions.
5. To call for more transparency and reliable information on fishing activity and fisheries agreements of Chinese DWF at bilateral and global level.
6. To support and provide funding of civil society organisations investigating and reporting the activities of actors who prefer to operate in the dark.
7. To ensure an adequate implementation of the existing EU legislation (e.g., IUU Regulation, Due Diligence Directive). Amongst other benefits, this will contribute to implementing an adequate traceability system; to ensuring responsible fishing practices, to improving the safety at sea and labour conditions on fishing vessels, and to enhancing accurate reporting of catch.
8. To ensure a rule-based global system that considers the divergent interests of all parties is in place to regulate international ocean affairs and economic activities, including fisheries.
9. To ensure an effective implementation of international agreements on safety at sea of fishing vessels (Cape Town Agreement - IMO) and labour conditions on fishing vessels (ILO C188); and the negotiation of the agreement on Biodiversity Beyond National Jurisdiction would also enhance a fair competition between China and the EU and contribute to the protection of the Ocean.
10. To strengthen the monitoring, control and surveillance units of the Department of Fisheries (or equivalent agencies) of the countries with which the EU has signed fisheries agreements, and thus to strengthen their capacity to enforce fisheries control.
11. In interactions with Chinese negotiators, to point out that China's central government has proclaimed an 'Ecological Century' and insists on international cooperation leading to mutual benefits. This proclamation excludes the predatory practices that lead to unfair competition. Fisheries agreements and contracts should not lead to increased exploitation of fully or overexploited stock. The EU, through the appropriate agency, should fund EU

and/or other scientific groups capable of assessing the state of targeted stocks of countries in the Global South to determine the level of exploitation.

12. The above point would also support the dialogue with China about the overfishing problem in the South China Sea; and about the need to reduce the Chinese subsidies for the distant water fleets that lead to unfair competition.

Further information

This executive summary is available in the following languages: English, French, German, Italian and Spanish. The study, which is available in English, and the summaries can be downloaded at: <https://bit.ly/3VT7LrO>

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