

DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT B  
STRUCTURAL AND COHESION POLICIES



# THE ROLE OF CHINA IN WORLD FISHERIES

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# Content

1. Objectives and method
2. Main findings
3. Conclusions and recommendations

# 1a. Objectives

- Broad perspective of [China's fishing and related activities](#), and to support a better understanding of the role of China in world fisheries
- Focus on [marine capture fisheries](#)
- Six [main areas](#):
  - Catches
  - Fleets
  - Import of fish products
  - Export of fish products
  - Activities outside Chinese waters
  - IUU fishing

## 1b. Method

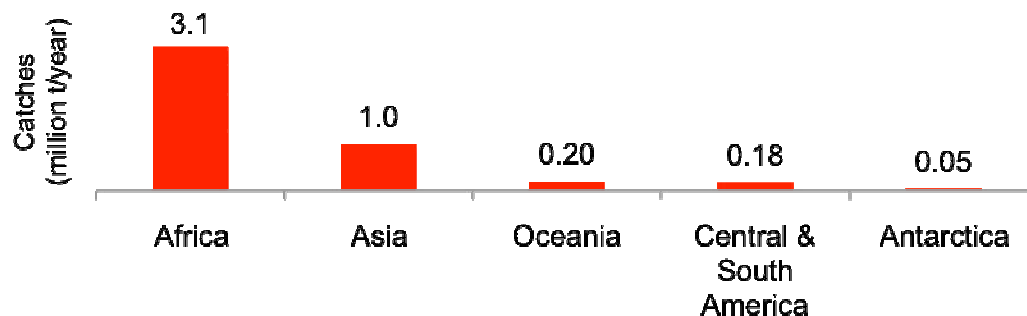
- Duration: six months (December 2011 - June 2012)
- Methods:
  - Desk research & scientific analysis:
    - 500+ newspaper articles and websites in 12 languages gathered
    - 100+ scholarly articles consulted
    - Monte-Carlo analysis programmed and run.
  - Stakeholder consultations:
    - EC consultations: DGs MARE, SANCO, and TRADE
    - Industry and NGOs

# Content

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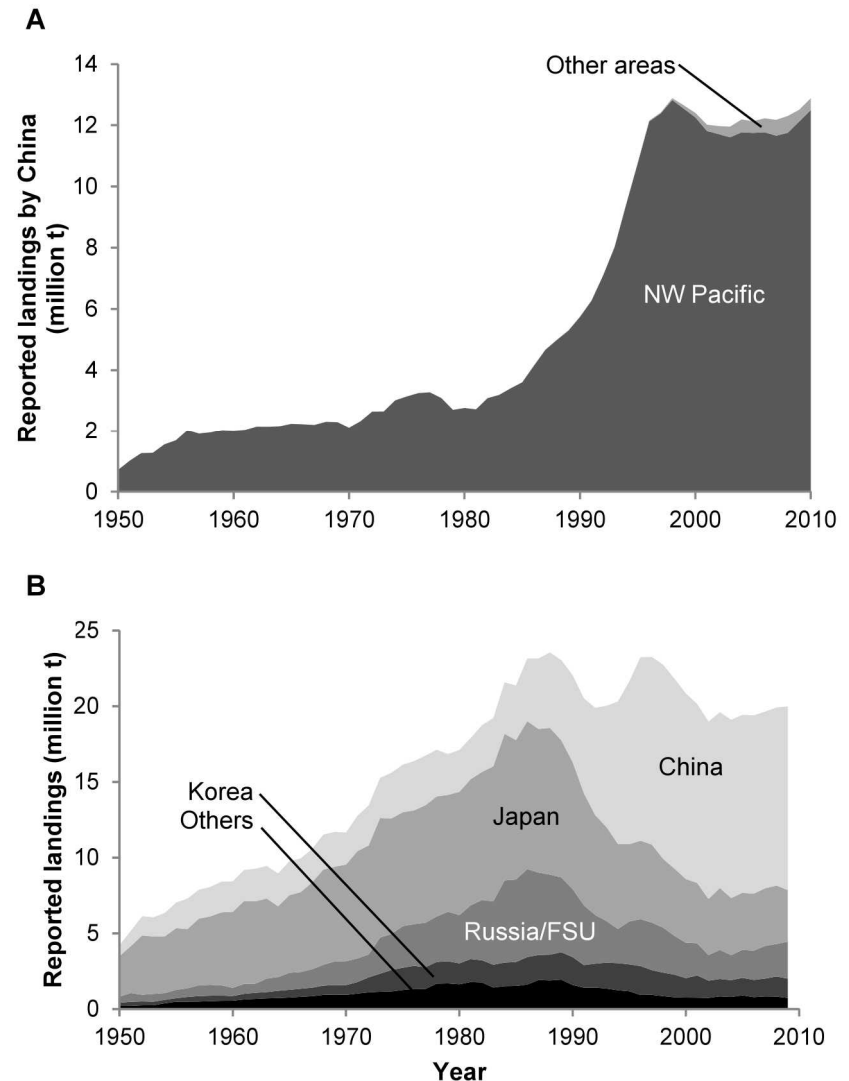
## 2. Main findings - Catches

- China massively over-report (to FAO) its domestic marine catch and under-reports the catch of its distant-water fleets
- Our estimates of distant China's distant-water fleets for 2000-2011: **4.6 million tonnes/year** ( $\pm 687,000$  tonnes/year), vs. an average of 368,000 tonnes/year reported to FAO. Ex-vessel landed **value of 8.93 billion €/year** ( $\pm 1.53$  billion €/year)
- Chinese fleet extract the largest catch in **Africa**



## 2. Main findings - Catches

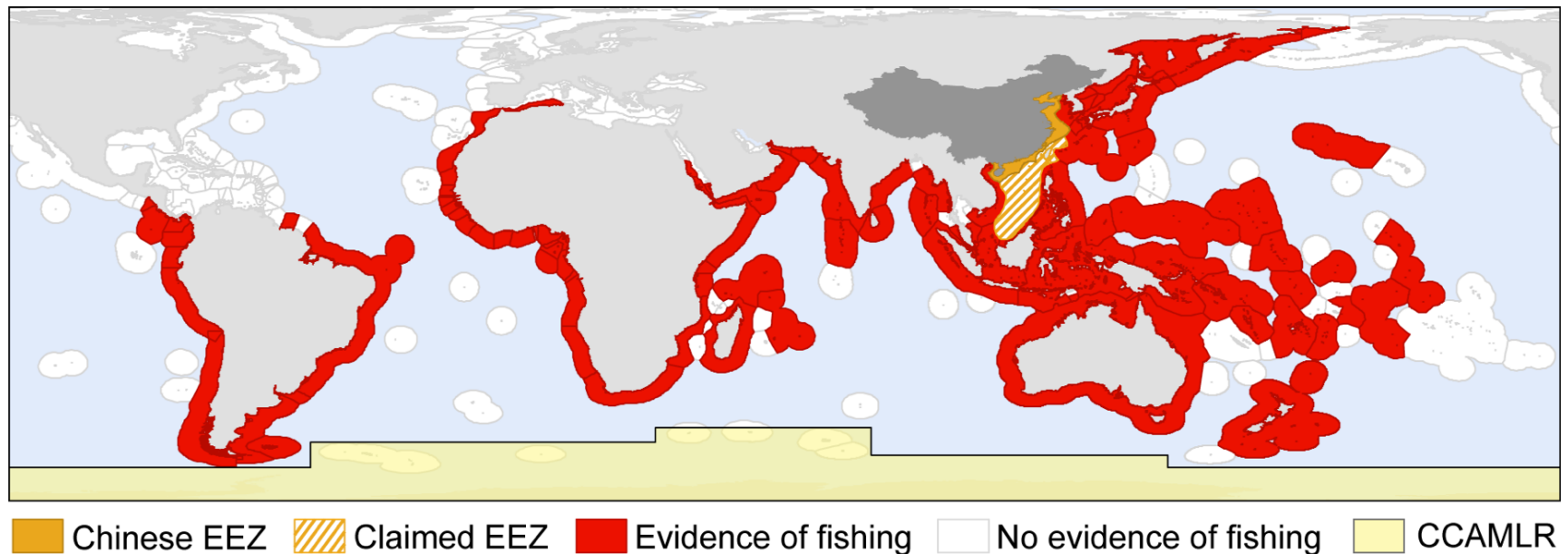
Officially reported catches by China



Source: Sea Around Us Project (modified from Pauly and Froese, 2012)

## 2. Main findings - Catches

Exclusive Economic Zones of countries or territories where Chinese vessels were reported to operate (legally or not) in 2000-2011

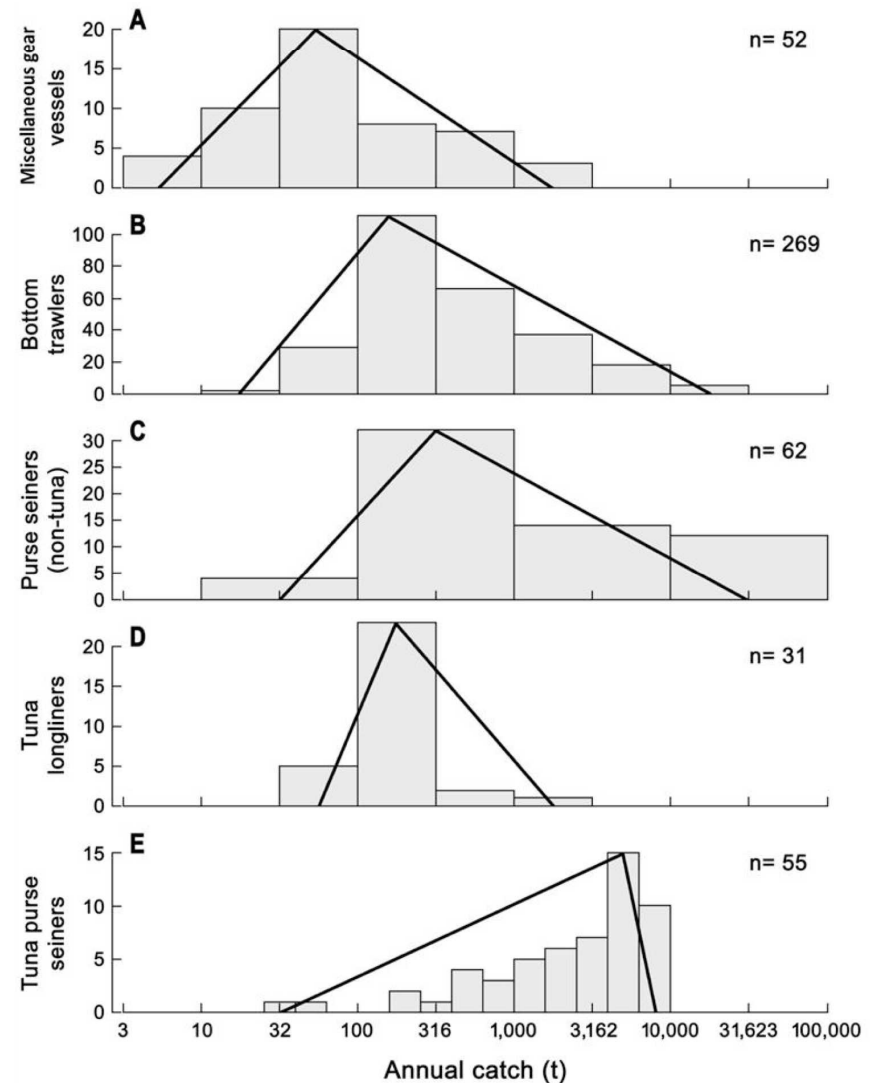


**Source:** Over 450 reports in the scientific literature and media reports gathered by the *Sea Around Us* project



## 2. Main findings - Catches

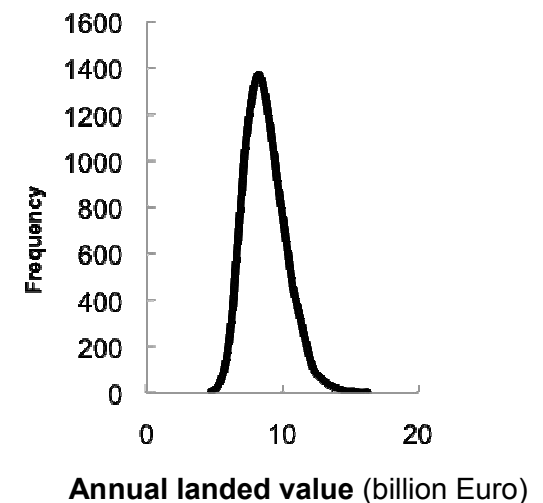
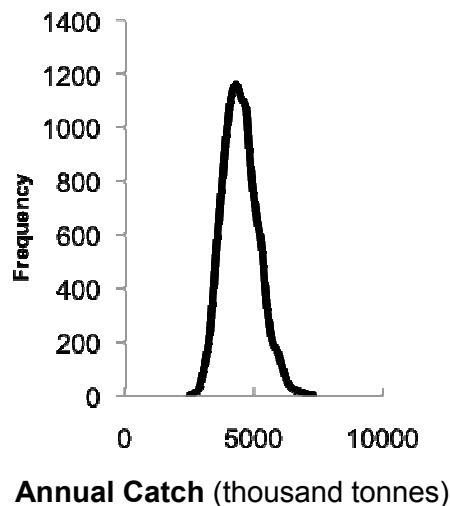
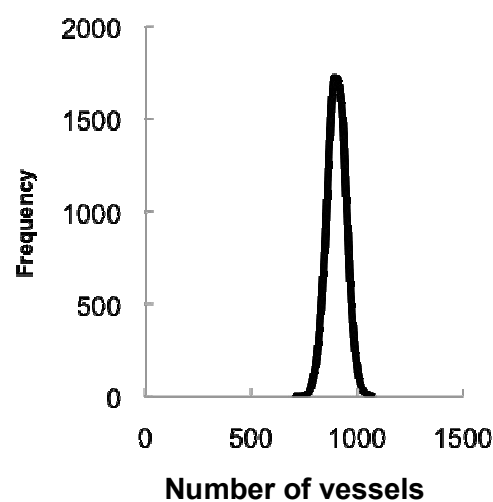
Distribution of annual catch (in tonnes) by the 5 gear/vessel types common in Chinese distant-water fisheries



Source: Sea Around Us Project

## 2. Main findings - Catches

### Results of the Monte Carlo Runs



## 2. Main findings - IUU

- A first-order estimate of potential IUU catches around the **Africa** region shows around **2.5 million tonnes per year**, of the estimated Chinese distant water catch of about 3.1 million tonnes per year in the African region
- China's IUU activities in the Western Africa coast, possibly due to:
  - **Limited governance** capacity of the affected countries
  - **Poor performance** of high seas fisheries governance organisations
  - **Limited capacity** to collect information on IUU activities.
- China has already taken some **initial steps to comply** with the EU's IUU requirements (i.e. notification of competent authority) yet, **further cooperation EU-China** is needed

## 2. Main findings - Fleet

- 289,000 motorised fishing vessels (14.7 million kW) reported to FAO in 2007. Yet, fleet estimates appear to be uncertain
- Fleet capacity reduction strategies have had only limited success
- Registration of fishing vessels is highly decentralised
- The distant-water fishing sector:
  - Largest fleet in the world (1,900 vessels in 2010)
  - Evolved from state-owned to 70% privately owned
  - Depends heavily on subsidies to survive
  - Government aims to modernise and restructure the sector

## 2. Main findings - Imports

- Net imports of €3.4 billion (2.5 million tonnes) in 2010
- Whole frozen fish is the main import (74%); used for national consumption and processing of white fish fillets for re-export
- Russia and the USA are the main source of imports, reflecting the importance of Pacific whitefish trade (35% of imports in 2005-10)
- The EU exports only €213 million/year worth of seafood to China (2005-10)
  - Greenland halibut and mackerel (for internal consumption)
  - Some cod and shrimp (for re-processing)

## 2. Main findings - Exports

- **World's largest exporter** of fishery products: **€9.9 billion** (3.2 million tonnes) in 2010, followed by Norway and the EU
- **Whitefish fillets** (mostly Alaska pollack and Pacific cod) account for 20% of exports (€2 billion) in 2010
- Only 45% of China's cod supplies are from **sustainable sources**
- The **EU imported €1.5 billion** of fishery products from China in 2010 (6% of all fish consumed). However, China contributed some 54% of Alaska pollack, and 25% of all whitefish fillets, products used extensively by EU secondary processors.
- 90% of factories are **located in five coastal** provinces (Shandong, Liaoning, Zhejiang, Fujian and Guangdong)

## 2. Main findings - Export



## 2. Main findings - Chinese market evolution

- China's consumption is about 25% of global demand for fish
- Fish consumption has doubled over the last 20 years to around 27 to 32kg/capita/year, but per capita consumption has reached a limit
- Future growth consumption to be mainly supplied from aquaculture
- Food safety scandals have plagued the food industry in recent years, undermining confidence in the sector / control institutions
- 335 Rapid Alert notices for Chinese fishery products which did not comply with EU food safety standards (2006-2011)
  - However, DG SANCO Food and Veterinary Office confirms significant improvements in the control system for veterinary medicines



## 2. Main findings - Outside Chinese waters

- Slowly, although progressively, **joining international** agreements
- **Improved cooperation** track record in **RFMOs** in the last years, mainly driven by commercial interest
- Fisheries agreements:
  - Characterised by a **lack of transparency**
  - **Nature varies** from state-to-state bilateral agreements to non-governmental arrangements
  - Linked to loans and aid projects they **foster country dependency** and hinder fight against **IUU**
  - Growing concern for the **impact on the economy and environment** of the host country (West Africa and South America)

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## 3a. Conclusions (1/2)

- While it is in China's own **long term interest to have a firm handle on its domestic fisheries**, it is not necessarily in its interest for the magnitude of its distant-water catch to become visible
- Uncertainty on the **number of motorised fishing vessels** is due to China's decentralised system and lack of procedures to integrate the information at national level
- One major **strategy to reduce capacity** in Chinese waters has been to develop distant-water fisheries
- China distant-water fleets **activities span the entire gamut of IUU fishing**

## 3a. Conclusions (2/2)

- China is an **important supplier of fish to the EU**, particularly whitefish fillets. The EU should ensure continuity of supplies from this source
- Fish **consumption has peaked in China**, and the risk of major impacts on EU supplies is regarded as remote
- China's **participation** in international instruments **has improved**. Yet its fisheries agreements are characterised by **lack of transparency**
- The EU faces increasing **difficulties to negotiate** fisheries agreements with third countries that rely on China 'easier' option

## 3b. Recommendations (1/2)

- I. Encourage FAO to insist on **proper reporting** of its catches from China
- II. Promote the creation of a **unit devoted to research on China's ocean affairs** (emphasis on fisheries), staffed with personnel with Chinese language skills
- III. Help developing countries realise that it is in the interest of their countries and societies **to make public all existing and future agreements with China** and all other distant-water fishing countries

## 3b. Recommendations (2/2)

- IV. Encourage **full disclosure about real ownership of distant-water fleets** to avoid the current situation whereby tracking of real trends and policy interventions becomes impossible
- IV. Ensure, in the long run, that **illegal operations are being dealt with as criminal matters** and not as fisheries management issues
- V. Encourage **RFMOs** in which both Taiwan and China are involved **to consider data from Taiwan**, despite China insisting that the issue of Taiwan is an internal matter

# Thank you

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