BRIEFING

SEAFOOD TRACEABILITY: EXEMPTIONS RISK FUELLING ILLEGAL FISHING

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SEAFOOD TRACEABILITY: EXEMPTIONS RISK FUELLING ILLEGAL FISHING

1 in every 6 fish imported into the EU at risk of being untraceable

The EU is the largest seafood market in the world, importing more than 60% of its consumed seafood. In the effort to improve the transparency of the EU seafood market, the European Commission has proposed to overhaul the seafood traceability system in the revision of the EU fisheries Control Regulation, mainly by outlining provisions to make seafood traceability digital and for all products in the EU market to be covered by that traceability system.

This system will sit alongside the EU's illegal, unreported and unregulated (IUU) fishing Regulation to provide granular information about our seafood, following products digitally from the point of catch right up to the point of retail, will cover both imported and EU-sourced products, as well as both wild-caught seafood and aquaculture products.

This will deliver benefits not only for ascertaining the legality and sustainability of a given product, but equally for food safety and quality control, forming the basis for bringing clear information to consumers. While traceability does not equal sustainability, the availability of credible information about the provenance of seafood products equips businesses, authorities and citizens to make informed decisions.

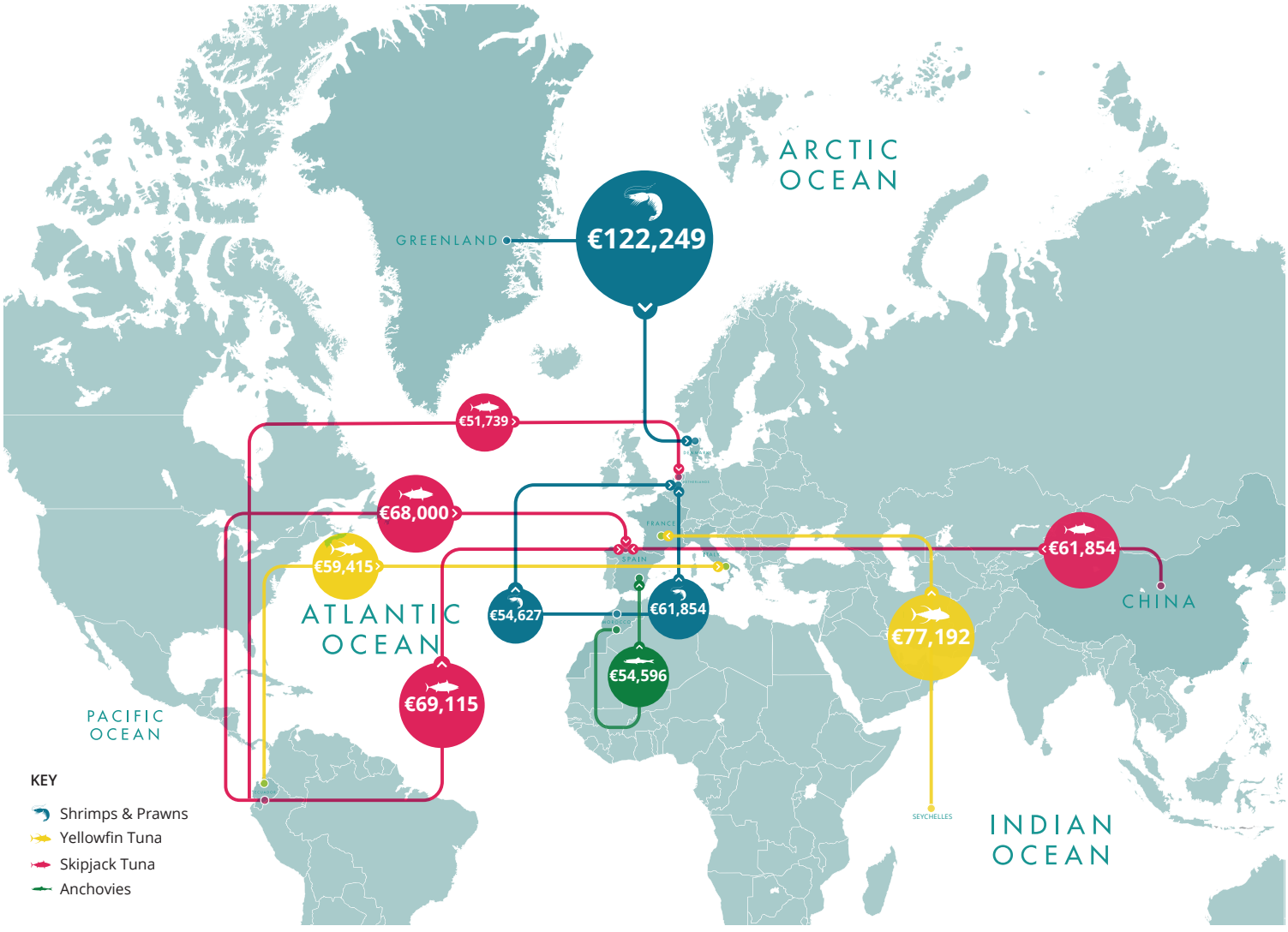
However, it has been suggested by certain Member States and Members of the European Parliament that seafood traceability should remain paper-based and that a specific group of seafood products should be made exempt from this traceability system.

> THE UPDATED SEAFOOD TRACEABILITY SYSTEM WILL DELIVER BENEFITS NOT ONLY FOR ASCERTAINING THE LEGALITY AND SUSTAINABILITY OF A GIVEN PRODUCT, BUT EQUALLY FOR FOOD SAFETY AND QUALITY CONTROL

Specifically, this would apply to products falling under codes 1604 and 1605 of the Combined Nomenclature (CN).[1] CN code 1604 covers prepared or preserved fish, as well as caviar and caviar substitutes prepared from fish eggs, while CN 1605 covers crustaceans, molluscs and other aquatic invertebrates, both prepared and preserved. In practice, these classifications include many popularly consumed products like canned tuna, fish fingers or caviar.

The suggestion to remove these specific seafood products from the EU seafood traceability system is of great concern, as this would allow for a lesser standard for a host of products that can be at risk of being sourced from IUU-fisheries or other unsustainable or unethical fisheries. In addition, paper-based systems for the complex global seafood value chain are at high risk of inadvertent errors or fraud, and so cannot deliver true accountability for these products. The EU must facilitate the transfer to a fully digitised system to secure effective controls for seafood transparency.

The top 10 imports of CN code 1604 and 1605 seafood products by the EU-27 (2017-2019 averages)



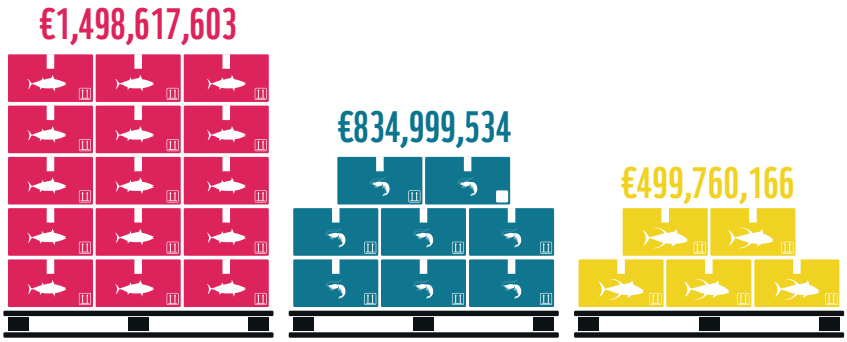
NB: The figures above do not reflect all trade of a given species nor of all products made with the species identified above, but present the 10 largest trade flows (by value) of particular CN coded product categories to EU Member States

Source: WWF calculation based on Eurostat query DS-016890, available in *Analysis of EU seafood trade flows: The proportion of CN codes 1604 and 1605 in EU fish trade*, 2021.

THE RISK OF 1 IN 6 FISH CONSUMED IN THE EU BEING UNTRACEABLE

In the period 2015-2019, seafood products falling under CN codes 1604 and 1605 accounted for an average of 17% of seafood imported into the EU by value, or roughly 1 out of 6 fish.[2]

Seven of the top 30 seafood products imported into the EU fall under CN codes 1604 and 1605. These include various products of skipjack tuna, shrimps and prawns, and yellowfin tuna, whose EU wholesale trade is worth over €2.8 billion annually.



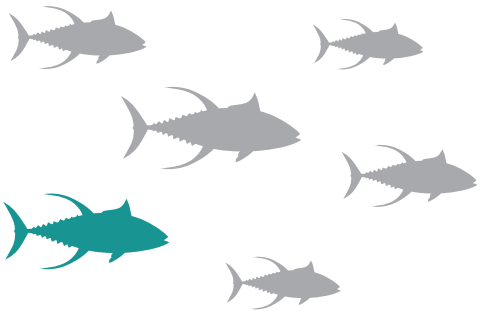
Skipjack tuna (Prepared or preserved and fillets)

Shrimps and prawns, (prepared or preserved, in immediate packings or in airtight containers)

Yellowfin tuna (Prepared or preserved and fillets)

Source: WWF calculation based on Eurostat query DS-016890, available in *Analysis of EU seafood trade flows: The proportion of CN codes 1604 and 1605 in EU fish trade,* 2021.

However, it should be noted that the actual quantities of seafood products which would be impacted by the suggested exemption is anticipated to be much higher. While it is clear that 17% of imported products are already processed or preserved when arriving in the EU, other products, including unprocessed frozen fish, are imported and destined for processing in EU factories.
In addition, there are fish products caught in the EU which are transformed to various types of processed or preserved products. The complete numbers for processed or preserved seafood products in the EU market, which would be left untraceable, are currently not known but anticipated to be much higher than presented here.[3]



IN THE PERIOD 2015-2019, SEAFOOD PRODUCTS FALLING UNDER CN CODES 1604 AND 1605 ACCOUNTED FOR AN AVERAGE OF 17% OF SEAFOOD IMPORTED INTO THE EU BY VALUE, OR ROUGHLY **1 OUT OF 6 FISH.**

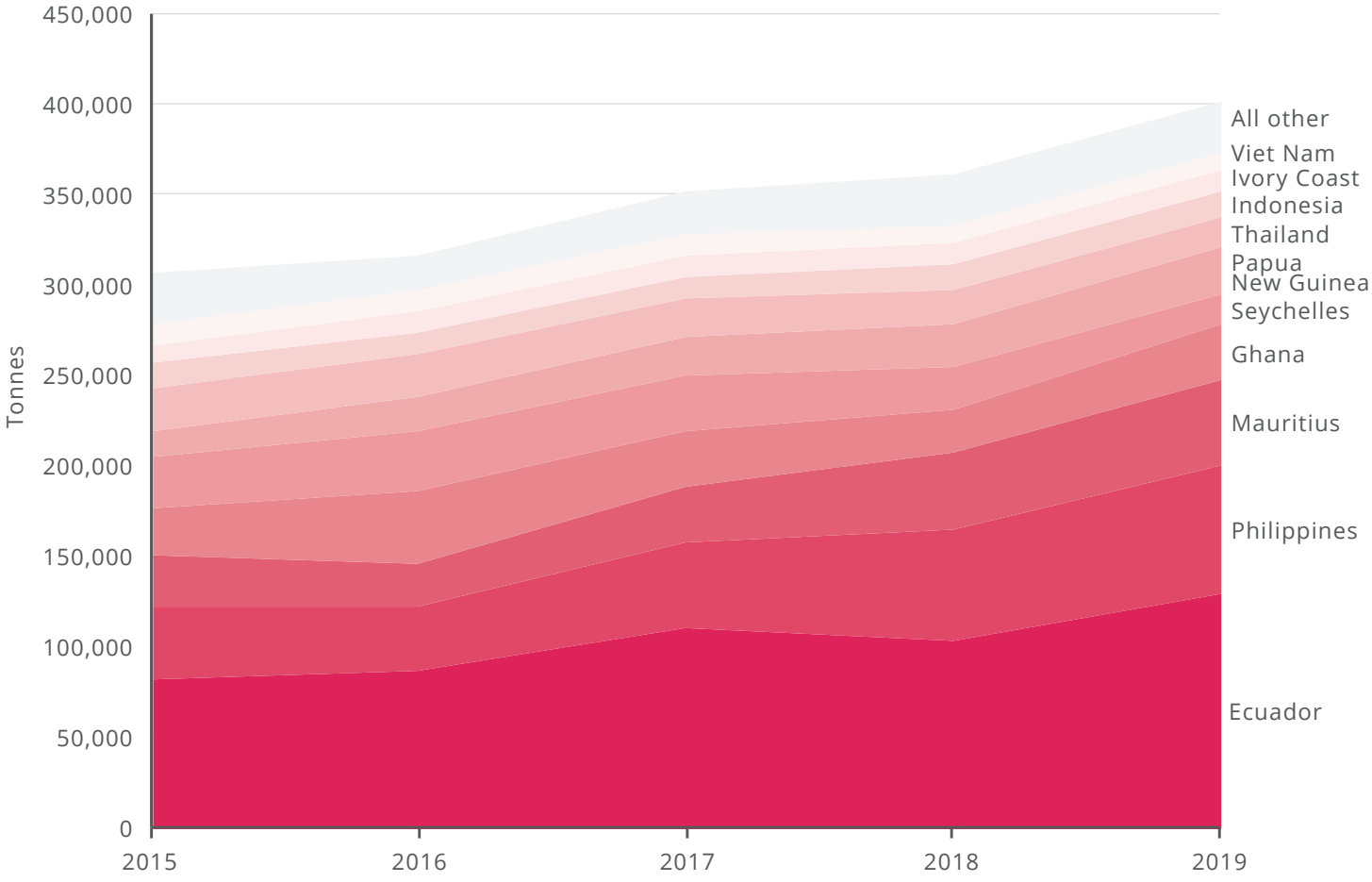
UNTRACEABLE PRODUCTS ARE UNACCOUNTABLE TO UNSUSTAINABLE FISHING

Skipjack tuna: 'yellow-carded' Ecuador dominates EU imports

Ecuador is the leading exporter of processed and preserved skipjack tuna to the EU. Trade has been increasing steadily, reaching over 128,000 tonnes of processed or preserved skipjack tuna in 2019. All the while, the EU issued an EU IUU Regulation 'yellow card' to Ecuador in October 2019 for the country's failure to respond adequately to IUU fishing activities. The European Commission has specifically stated that Ecuador needs to improve their oversight of fish entering their market as well as oversight of their processing plants, not least those which export products to the EU.[4] The continued presence of the yellow card is an indication that products coming from Ecuador could originate from IUU fishing sources.

Allowing key imports like processed or preserved skipjack tuna products to be exempt from traceability measures as they enter the EU market will put the EU in direct contradiction with its own position and undermine its efforts to protect European consumers from seafood products sourced through illicit fishing activities.

EU imports of skipjack tuna (preserved, processed, fillets) by partner country



Source: WWF calculation based on Eurostat query DS-016890, available in *Analysis of EU seafood trade flows: The proportion of CN codes 1604 and 1605 in EU fish trade* at risk, 2021.

Yellowfin tuna from the Indian Ocean: overfished and ever popular

The EU imports an average of 233,000 tonnes of yellowfin tuna annually, of which 51% are imported as preserved or processed products. Yellowfin tuna from the Indian Ocean is a popular seafood choice in the EU, with the majority of imports from the region coming from countries in and around the Indian Ocean, such as the Seychelles and Mauritius. Yellowfin tuna in the Indian Ocean is heavily overfished[5] and, as the members of the Indian Ocean Tuna Commission (IOTC) have been unable to agree on a robust rebuilding plan for the species in this region, there is currently little hope for the species to begin recovery. Coupled with the non-compliance of IOTC members with existing management measures, the species population has plummeted, threatening the long-term health of the stock as well as long-term food security in Indian Ocean countries.

In addition, IUU fishing is known to be widespread in the Indian Ocean, at times connected with other crimes, including labour abuses.[6] This puts further pressure on an already overfished species. While an enhanced traceability system will not solve issues of overfishing, it will bring transparency to the value chain which can help avoid yellowfin tuna products which are sourced from illicit fisheries being marketed in the EU.

Seafood supply chains are among the most complex in the world, with products often moving through multiple jurisdictions for processing, storage or re-export before arriving in their final market of consumption. While the biggest exporter of fillets of yellowfin tuna to the EU is Ecuador, there are indications that these products could be sourced from the unsustainably managed Indian Ocean stock.[7] The complex and interconnected nature of the global seafood supply chain underlines the importance of recording and transmitting key information along the value chain without exempting arbitrary product categories.

Southeast Asian shrimp: not as rosy as it seems

One of the main suppliers of shrimp to the EU market is Viet Nam. Viet Nam has been 'yellow carded' since October 2017, when the European Commission explicitly noted that this decision was in part due to Viet Nam's poor system to control landings of fish that are processed locally before being exported to international markets, including the EU.[8] More recently, Viet Nam has been ranked as the fifth worst offender for IUU fishing globally.[9] There are indications that an increasing amount of shrimp exported from Viet Nam originates from yet other countries, such as India, as local Vietnamese stocks have been depleted due to overfishing and fleet overcapacity. When these intricate international value chains are clouded by inadequate controls and poor traceability, it exposes businesses and consumers to sourcing products from unknown or high-risk sources.[10]

> ALLOWING KEY IMPORTS TO BE EXEMPT FROM TRACEABILITY MEASURES AS THEY ENTER THE EU MARKET WILL UNDERMINE THE EU'S EFFORTS TO PROTECT EUROPEAN CONSUMERS FROM SEAFOOD PRODUCTS SOURCED THROUGH ILLICIT FISHING ACTIVITIES

In addition, several key shrimp exporters to the EU, such as India, Indonesia, Thailand, and Vietnam, do not enforce any rules on turtle excluder devices, leading to the bycatch and death of thousands of turtles each year. This not only delivers seafood products sourced from activities which put ocean health at risk, it creates an uneven playing field for EU operators who must adhere to higher environmental standards.[11]

TRACEABILITY OF HIGH-VALUE PRODUCTS IS CRUCIAL TO FIGHT FRAUD

Many of the seafood products highlighted so far are of high value, making them a prime target for IUU fishing or other fraudulent activities. This amplifies the tremendous pressures already exerted on these species' populations.

In addition to skipjack and Yellowfin tuna, two further high-value products fall under the suggested traceability exemption and are worth noting: caviar and eel. Sturgeon and paddlefish (from which caviar comes) are critically endangered species and listed under the Convention on International Trade in Endangered Species (CITES).[12] The EU is the world's largest importing market for caviar[13], and international caviar trade has been known to have links to organised crime and corruption to facilitate trade with lucrative markets, such as the EU.[14]

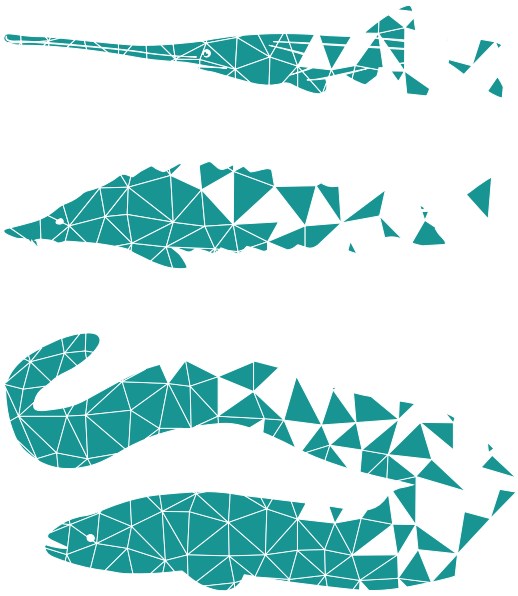
Similarly, European eel is critically endangered and CITES-listed, with some estimates approximating that the stock has fallen to as little as 1% of its previous levels.[15] Due to the popularity and scarcity of this species, it is also subject to illegal international trade with links to organised crime, as evidenced by multiple Europol operations.[16]

It would be notably negligent for the EU to lower its standard for trade in such high-risk products as eel and caviar.

WAY FORWARD

Making seafood products traceable from the fishing vessel to the final consumer is necessary to combat IUU fishing and achieve healthy fisheries and aquaculture, both in the EU and beyond. Given the size of European demand for seafood, an EU-mandated traceability system will encourage transparency and accountability not only in the EU, but also far beyond the EU's own seafood supply. The revision of the EU's fisheries control system is a unique opportunity to secure this.

WWF recommends that the European Parliament and Member States mandate a digital seafood traceability system which ensures that all the data elements necessary to establish a transparent supply chain are recorded and transmitted at each step of a seafood product's journey. This system must cover all seafood products available on the EU market, not least those that are imported into the EU, as well as preserved or processed products.



STURGEON, PADDLEFISH AND EUROPEAN EEL ARE CRITICALLY ENDANGERED

"WHEN INTRICATE INTERNATIONAL VALUE CHAINS ARE CLOUDED BY INADEQUATE CONTROLS AND POOR TRACEABILITY, IT EXPOSES BUSINESSES AND CONSUMERS TO SOURCING PRODUCTS FROM UNKNOWN OR HIGH-RISK SOURCES

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