

Strategic Analysis Paper

13 October 2020

The Chinese Distant Water Fishing Fleet and Illegal, Unreported and Unregulated Fishing

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Key Points

- Chinese interests operate the largest distant water fishing fleet in the world, estimated to be 1,600-3,400 ships in size.
- The Chinese distant water fishing fleet could be five to eight times larger than that, however, and operate in every region of the world.
- While most of those vessels operate legally, with permission from host states and in accordance with international maritime law, there is considerable scope for Chinese fishing operators to act in a legal grey zone.
- Beijing has militarised part of its fishing fleet, enabling it to act as a third sea force capable of projecting power and advancing Chinese strategic interests.

Summary

Illegal, unreported and unregulated (IUU) fishing is not just an environmental challenge, it also poses a threat to food security, employment and state development. It is often conducted by [transnational criminal networks](#) and, in some cases, it even [perpetuates conflict](#). The Commandant of the United States Coast Guard, Admiral Karl Schultz, [stated](#) that 'IUU fishing has replaced piracy as the leading global maritime security threat. If IUU fishing continues unchecked, we can expect a deterioration of fragile coastal States and increased tension among foreign-fishing Nations, threatening geo-political stability around the world.' The US National Oceanic and Atmospheric Administration's 2019 biennial [IUU Fishing Report to Congress](#), also noted a significant increase in alleged illegal fishing by Chinese-flagged vessels in the exclusive economic zones (EEZ) of other countries in almost every region of the world.

The US Department of State similarly [notes](#) that ‘China is one of the world’s worst perpetrators of illegal, unreported, and unregulated fishing, disregarding fisheries management measures.’ It is likely that most Chinese IUU fishing is committed by distant water fishing vessels that operate outside of Chinese waters, usually within the EEZs of countries with limited abilities to monitor foreign fishing ships. While Beijing continues to issue new laws to regulate the fishing industry, there is some uncertainty about how effective they will be in addressing the questionable activities of the distant water fishing fleet, especially as the industry supports the naval modernisation ambitions of the Chinese Communist Party.

Analysis

Since 1961, the average annual increase in fish consumption has [outpaced population growth](#). Fish is second most popular meat, with only global poultry consumption surpassing it. The Food and Agriculture Organization estimates that [84 million tonnes of fish](#) were harvested from marine sources in 2018 and, while the volume of wild catch has remained stable over the past 30 years, 93 per cent of global marine fish stocks are either fully exploited, overexploited or significantly depleted. Global demand for fish is expected to continue to rise, reaching a total of more than 180 million tonnes by 2030.

Demand for fish also continues to rise in China and is expected to increase by a further [9-27 per cent by 2030](#). Since the 1980s, however, it has become increasingly clear that Chinese territorial waters are overfished. Conservative [estimates](#) suggest that a minimum of 30 per cent of fish stocks in Chinese waters have completely collapsed and an additional 20 per cent are overexploited. In response, Beijing implemented seasonal moratoria on fishing within its waters, decommissioned fishing vessels, promoted the development of aquaculture and encouraged fishermen into alternative forms of employment.

Those initiatives have had a [significant effect on the Chinese fishing industry](#). Seasonal restrictions in the Bohai and Yellow Seas cost the fishing industry in Liaoning Province alone US\$2.4 billion (\$3.35 billion) in lost income annually. The livelihoods of at least 70,000 Chinese fishermen have been reduced by restrictions in the East China, Bohai and Yellow Seas. To minimise those losses, the industry has turned to aquaculture and distant water fishing (DWF).

Even though Beijing has attempted to reduce wild capture fishing, Chinese interests continue to operate the largest wild capture fishing fleet in the world and China is the largest producer of fish products (both wild catch and aquaculture). The Chinese Ministry of Agriculture and Rural Affairs estimates that the country’s marine fisheries can sustainably support an annual catch of seven to nine million tonnes, but the industry consistently reports a catch of 10-12 million tonnes per annum. There is some [evidence](#) that China inflates its domestic marine catch and under-reports the catch of its DWF fleet.

DWF fleets operate in the high seas, beyond the jurisdiction of any state, and in the exclusive economic zones (EEZ) of host countries, usually on the basis of bilateral fisheries access agreements. The People’s Republic of China has the world’s largest DWF fleet, with Chinese interests operating almost 40 per cent of the world’s DWF vessels. China and Taiwan are also

the states that are most exposed to IUU fishing and are doing the least to effectively combat it, according to the [IUU Fishing Index](#).

The World's Largest DWF Fleets and Their Exposure to IUU Fishing		
	Share of Global Distant Water Fishing Fleet (%)	IUU Fishing Index Score
China	38	3.93
Taiwan	21	3.34
Japan	10	2.63
South Korea	10	2.49
Spain	10	2.56

Source: Stimson Center, 'Shining a Light: The Need for Transparency Across Distant Water Fishing', 2019; IUU Fishing Index

In September 2010, a Chinese task force composed of people affiliated with the State Council and the DWF industry advocated for a larger DWF fleet. It argued that pressure on Chinese arable land and population growth required the exploitation of distant water resources, especially on the high seas. The task force's report [states](#) that 'marine biological resources are seen as the largest store of protein, therefore owning and mastering the ocean means owning and mastering the future.' The Chinese DWF industry views all marine fisheries as potential grounds for its ships to operate in.

It was assumed that 1,600-3,400 DWF vessels operated out of the PRC in 2014. Those estimates usually focus on Chinese-flagged vessels, however, and ignore Chinese-owned or joint venture vessels flagged in other countries. Researchers from the London-based Overseas Development Institute found that the Chinese DWF fleet is possibly at least [five to eight times larger](#) than that. They identified 12,490 Chinese DWF vessels operating beyond Chinese waters between 2017 and 2018. They also found at least 183 Chinese DWF vessels that were suspected of involvement in IUU fishing. China is not solely responsible for global overfishing or IUU activities, but as Chinese interests operate the largest DWF fleet in the world with a presence that spans the globe, Beijing has a unique responsibility to reduce IUU fishing globally.

Chinese DWF operations take advantage of weak governance and monitoring regimes. IUU fishing is most prominent in low-income countries with weak monitoring and enforcement mechanisms. About one-fifth of the global IUU catch is [estimated](#) to come from six West African countries, costing them US\$2.3 billion (\$3.2 billion) annually and 300,000 jobs. China is not alone in operating in those waters, however, with fishing fleets from several [European Union countries](#) also thought to engage in questionable fishing practices.

Chinese DWF vessels blatantly contravene international and Chinese law by operating in North Korean waters. In 2017 the UN Security Council banned the purchase of fishing rights from North Korea, a ban that [Beijing supported](#) by prohibiting all Chinese fishing operations in the North Korean EEZ. An [analysis](#) of satellite data identified more than 700 vessels of Chinese origin operating illegally in North Korean waters between 2017 and 2018. Chinese fishing

vessels continue to operate in the region, with close to [800 Chinese vessels](#) identified fishing in North Korean waters during 2019.

It is possible that Beijing lacks the means to enforce regulations on DWF operators. During the 1980s and 1990s, DWF companies were wholly owned and operated by state companies. That situation has changed, however, with small- and medium-sized private companies now comprising about [70 per cent of the industry](#), which possibly makes it more difficult for the Chinese Government to enforce regulations on DWF operators. The rapid increase in the number of DWF vessels over the last decade also increases the difficulty that Beijing has in controlling the actions of DWF companies. During 2020, Beijing has announced a series of measures to limit the potential for DWF vessels to engage in questionable activity.

In April, the Chinese Bureau of Fisheries announced that it would begin blacklisting vessels and captains found to have engaged in IUU fishing. In June, the Ecuadorian Navy reported that there were more than 340 Chinese fishing vessels operating in international waters near the Galapagos Islands. Ecuador [claims](#) that at least 149 of those ships turned off their tracking systems to prevent monitoring of their activities. That claim was later supported by an [independent analysis](#) of satellite and ship tracking data. Turning off satellite tracking and communication systems is a violation of rules created by the local regional fisheries management organisation. Another [investigation](#), which tracked radio frequency signals rather than satellite positioning systems, suggests that Chinese fishing vessels might have encroached deep into the Ecuadorian EEZ. In 2017, a Chinese ship was [apprehended within the Galapagos Marine Reserve](#) with 270 tonnes of fish, including several endangered species. The US Secretary of State, Mike Pompeo, [tweeted](#) that 'It is time for China to stop its unsustainable fishing practices, rule-breaking, and willful (sic) environmental degradation of the oceans. We stand with Ecuador and call on Beijing to stop engaging in illegal, unreported, and unregulated fishing.' The ships lingered close to the Ecuadorian EEZ [until the end of September](#), when they moved towards [Peruvian](#) and [Chilean](#) waters.

In response to regional concerns about Chinese fishing practices, Beijing [banned](#) Chinese vessels from squid fishing in parts of the southern Pacific and Atlantic Oceans between July and November, to give depleted populations time to recover. The moratorium is the first time that Beijing has issued a ban on fishing fleets from operating in international waters. The areas closed to fishing only cover a small portion of the region where squid are found and do not apply during the main fishing season. As there is some evidence of Chinese fishing vessels turning off their tracking systems, it is also possible that some operators will ignore the bans.

The Chinese fishing fleet is not just a commercial concern, parts of it also act to project power and protect Chinese maritime interests. Beijing operates the People's Armed Forces Maritime Militia (PAFMM), a third sea force that operates alongside the navy and coast guard and, through the PLA chain of command, [reports to the very top of the military bureaucracy](#). It is difficult to know its true capabilities, but it is likely to comprise the [largest force of its kind](#). Chinese state media sources occasionally [report](#) on the PAFMM, describing it as a 'seaborne fighting fortress' or a 'light cavalry'. A 2016 *China Daily* [article](#) noted that as Beijing upgrades its naval forces, the maritime militia is also improving its operational capability, with most of

the militia made up of local fishermen. It also noted that local fishermen assisted in more than 250 law enforcement operations at sea over the past three years.

The PAFMM operates in a grey zone, between peace and war, which Chinese sources term '[war without gun smoke](#)'. For decades, the People's Liberation Army (PLA) has [recruited workers from maritime industries](#) and [trained](#) them in maritime claims enforcement, logistics support, intelligence, surveillance and reconnaissance and sabotage. It has been accused of carrying out aggressive operations in international waters and those of foreign countries, mainly to intimidate legitimate fishing operators and support the strategy of the PLA. The US navy has [warned](#) that it will respond to aggression from PAFMM vessels as though they were part of the armed forces. Currently, the PAFMM is active in the East and South China Seas, but it has also been accused of illegal fishing in Indonesian waters. As China continues to expand its area of naval operations, it is possible that the PAFMM will begin to operate further afield.

China operates the largest DWF fleet in the world and is likely to be the largest perpetrator of IUU fishing. It is in a unique position to increase the transparency and openness of its fishing operators to further build an international response to overfishing in the world's oceans. Recent measures to regulate the Chinese fishing industry are a step in the right direction, but it remains to be seen whether those regulations will be effectively enforced. As demand for fish continues to rise in China and the fishing industry supports the naval ambitions of the Chinese Communist Party, it is possible that Beijing will continue to ignore the transgressions of the Chinese DWF fleet.

Any opinions or views expressed in this paper are those of the individual author, unless stated to be those of Future Directions International.

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