

Brussels, 7 December 2023 (OR. en)

16423/23

PECHE 570

NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Forced labour on Chinese fishing vessels, aquaculture and fish processing industry
	- Information from the Netherlands delegation

Delegations will find attached an information note by the Netherlands delegation on the above-mentioned subject in view of the meeting of the Council (Agriculture and Fisheries) on 10-11 December 2023, where it will be presented under "Any Other Business"

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Forced labour on Chinese fishing vessels, aquaculture and fish processing industry

The European market for fishery and aquaculture products is part of a global market that faces several challenges concerning traceability and transparency. In order to tackle these challenges the EU and its Member States have continuously increased standards for fisheries and aquaculture industries and continued to intensify these efforts in line with the goals of the Common Fisheries Policy (CFP). New and stricter requirements on traceability and transparency for fishery and aquaculture products are for example part of the revised Control Regulation ((EG) nr 1224/2009). By setting internal standards for the fishery and aquaculture industry in the EU and by supporting third countries in raising their standards, the EU and its Member States are influential on a global scale.

However, China remained the world's largest seafood producer and exporter in 2022, with production expected to reach 67.5 million metric tons (MMT), up from the 66.9 MMT in 2021. Furthermore, nearly three-quarters of all fishery and aquaculture products that China imports is processed and re-exported to the country of origin, often located within the EU. This results in significant amounts of fishery and aquaculture products from the Chinese fisheries and aquaculture industry ending up on the European market. It is important that these products meet the same requirements as those produced in the EU.

Recently the research collective *The Outlaw Ocean Project* published a report about their findings on the conditions in the Chinese fishing industry. They discovered, among other things, that human rights violations are taking place on Chinese 'distant water' fishing vessels and fish processing industry, such as debt bondage, human trafficking, excessive working hours, forced labour, abuse and even death due to negligence or dangerous conditions.³ The researchers also claim that Chinese fishing vessels appear to be involved in illegal fishing, the illegal dumping of bycatch and fishing for protected squid species. Similar violations have also been found in the Chinese aquaculture and fish processing industry. The discoveries of The Outlaw Ocean Project are concerning and raised international media attention and also lead to questions in the Dutch parliament.

Chinese fishery and aquaculture products on the EU internal market

The use of forced labour is contrary to the objectives of the CFP, but is not yet punishable or prohibited under the CFP. However, the CFP states that fishing activities should be managed consistent with the objectives of achieving social and employment benefits and contributing to a fair standard of living for those dependent on fishing activities.

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¹ China: 2022 China Fishery Products Annual | USDA Foreign Agricultural Service

² cc0461en.pdf (fao.org)

³ The Crimes Behind the Seafood You Eat | The New Yorker

With the revision of the Control Regulation the use of forced labour in the Union fleet will be classified as a serious infringement. Reference is made to International Labor Organization (ILO) Convention No. 29 on forced labour, which provides that the illegal performance of forced or compulsory labor must be made a criminal offense by Member States and must be subject to adequate legal sanctions that are rigorously enforced.

Rules against illegal, unreported and unregulated (IUU) fishing are included in the IUU Regulation ((EG) nr 1005/2008). Fishery and aquaculture products from third countries have to meet the requirements of this regulation in order to be placed on the European market. However, production (i.e. on board and/or in aquaculture and/or processing industries) in third countries without forced labour is currently not one of the requirements included in this regulation, and are therefore not subject to trade restrictions.

State of play

Unfortunately, the use of forced labour in Chinese industries is not restricted to the fisheries industry. ⁴ Furthermore, due to the free internal European market, this issue cannot be the responsibility of individual Member States. Therefore broad action on an European level is necessary to tackle human rights violations. Two initiatives on European legislative processes are ongoing. The most important in this context is the Forced Labor Regulation (FLR), which aims to ban products manufactured with forced labour from the Union market. The other legislative proposal, the Corporate Sustainability Due Diligence Directive (CSDDD), stipulates that large companies active on the EU market have an obligation to apply due diligence, or to identify, mitigate, stop, prevent and account for risksfor people and the environment in their value chains.

We invite the Commission to reflect on these legislative processes and to indicate how these proposals are going to help prevent fisheries and aquaculture products produced using forced labour from entering the European market.

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www.parlament.gv.at

⁴ https://www.theguardian.com/world/2020/sep/18/clues-to-scale-of-xinjiang-labour-operation-emerge-as-china-defends-camps