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THE IMPACT OF THE EU IUU REGULATION ON SEAFOOD TRADE FLOWS:

Identification of intra-EU shifts in import trends related to the catch certification scheme and third country carding process

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Executive Summary

Background

A core aim of the European Union's (EU) Regulation to end illegal, unreported and unregulated (IUU) fishing – Regulation (EC) No. 1005/2008 – is to prevent, deter and eliminate trade in fisheries products deriving from IUU fishing into the EU. Prior to the adoption of the IUU Regulation in 2008, approximately 500,000 tonnes of illegal fisheries imports were estimated as entering the EU annually, to a value of approximately €EUR 1.1 billion[1].

The IUU Regulation establishes a catch certification (CC) scheme, which aims to ensure that products deriving from IUU fishing activities are prevented from entering the EU market. Seafood consignments exported by third (non-EU) countries to the EU must be accompanied by a CC attesting the legal origin of the products through validation by the flag State of the vessel that caught the seafood.

The CC scheme is complemented by a procedure to identify third countries as non-cooperating in the fight against IUU fishing (the 'carding' process). According to this procedure, countries may be pre-identified (yellow-carded) and, as a last resort, identified (red-carded) by the European Commission for failure to take action against IUU fishing in line with their international flag, coastal, port and/or market State obligations. From the date of the Commission's decision to red card a third country, the importation of products caught by the carded country's vessels to the EU is prohibited.

Previous studies have shown how analyses of publicly available fisheries trade datasets – whether the analysis of a single dataset or comparative analysis between two or more datasets – can support the fight against IUU fishing. However, relatively few analyses of trade data have been carried out to date to assess the impacts of the IUU Regulation on seafood trade flows, or to support implementation of the Regulation through detection of trade flow anomalies related to potential IUU fishing activities.

Methodology

Given the estimated volumes of illegally caught seafood entering the EU prior to the IUU Regulation's entry into force, the import controls introduced through the IUU Regulation are expected to have had an impact on seafood trade flows to the EU. These assumptions were investigated through an analysis of fish and fishery product imports reported by the 28 EU member states (MS) in the Eurostat database for the period 2005 to 2016.

To restrict the number of exporting third countries under consideration, the analysis was limited to countries with a higher risk of linkages to IUU fishing, namely those that have been carded under the Regulation. Seafood import volumes reported by each MS were compared pre- and post-: (i) entry into force of the IUU Regulation (1 January 2010); and (ii) date of the carding decision(s) including green card/delisting. For selected key trends, such as repeated or notable increases in imports to a given MS following the entry into force of the IUU Regulation, an analysis of intra-EU trade data was carried out to determine whether the importing MS was the likely destination for the products concerned.

Results

The analysis identified fluctuations in imports of seafood to the EU and related intra-EU trade flows that were potentially linked to the IUU Regulation's entry into force or the carding process.

Identified fluctuations in import flows included gradual and abrupt increases/declines in import volumes following the Regulation's entry into force and carding decisions. Trade anomalies, such as random peaks in trade, the emergence of new trading partners, and significant and sudden increases in import volumes, were also observed. Import fluctuations were observed more frequently for certain seafood commodities, including yellowfin tuna and swordfish.

Due to the complex interplay of factors that may influence trade flows (e.g. changes in import tariffs, health alerts and exchange rate variations) and the number of import fluctuations observed, it was beyond the scope of this study to explain or interpret every trend identified. It is therefore suggested that competent MS authorities may wish to carry out further enquiries to understand the drivers behind the shifts in trade identified in this analysis, for example through discussions with importers or traders of seafood products within their territories.

Key Findings

Declines in seafood imports were reported by the EU from several carded countries/territories around the time of the IUU Regulation's entry into force, e.g. Ghana, Panama, the Philippines, Sri Lanka, Taiwan, and Thailand. In other cases, declines were observed later, around the time of the carding decision, e.g. Korea.

1 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on a new strategy for the Community to prevent, deter and eliminate Illegal, Unreported and Unregulated fishing. COM/2007/0601 final: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52007DC0601&from=EN

For some carded countries, the application of trade agreements or preferential tariff arrangements appeared to result in increased import volumes following the Regulation's entry into force, e.g. for Papua New Guinea from 2010 onwards and Belize from 2009 onwards. Imports from the Solomon Islands also increased from 2011 onwards.

Decisions under EU health legislation have also had an impact. Italy was the only MS to report imports from Guinea after the temporary suspension of imports in February 2007.

In many cases, declines in imports were observed prior to and following a yellow carding decision. However, variations were observed across MS.

- **Italy** reported sudden increases or random peaks in trade that coincided with the yellow carding decisions for eight out of the 13 carded countries authorised to export seafood to the EU during the period 2005–2016. Trade anomalies primarily concerned tuna (frozen, whole; fillets/meat; prepared and preserved) and swordfish (fresh/chilled and frozen, whole; fillets/meat).
- At least four instances were observed of increased imports reported by **Portugal** prior to or following a yellow carding decision, which coincided with declines in imports reported by **Spain**. These cases concerned imports of swordfish, sharks and preparations of surimi.
- **The Netherlands** and **France** also reported increased imports or peaks in trade following the Regulation's entry into force or around certain carding decisions, e.g. the Netherlands for prepared and preserved tuna from Ghana and Thailand, and France for frozen swordfish/shark from Belize, frozen yellowfin tuna from the Philippines and fresh/chilled yellowfin tuna from Sri Lanka.
- Random peaks in trade and other trade anomalies were reported by MS that are not considered major importers of seafood in the EU, e.g. **Austria, Belgium, Bulgaria, Croatia, Czech Republic, Latvia, Lithuania and Poland**.

Imports of certain commodities declined across all MS following the Regulation's entry into force, e.g. imports of molluscs (cuttlefish, octopus and squid) from Korea, Taiwan and Thailand, possibly due to a shift in trade flows to other (non-EU) markets.

For other commodities (e.g. frozen tuna, swordfish and shark, and prepared and preserved tuna), it was more common to observe shifts in trade flows between MS, as opposed to the diversion of trade away from the EU entirely.

A number of interesting or recurring trends were discerned from the analysis. While it can be difficult to isolate the impact of the IUU Regulation due to the range of possible influencing factors, where repeated trends were observed across carded countries, it may be inferred that the Regulation has impacted seafood flows to the EU, at least to some extent. The key trends identified in the analysis were as follows:

Example 1: Increased imports to Italy following carding decisions

- **Italy** reported increased import volumes following the carding of several third countries, particularly for products of swordfish and tuna.
- In some cases, increased import volumes coincided with increased intra-EU trade from Italy to other MS. This could indicate the use of Italy as an entry point for imports destined for other MS, potentially related to disparities in import controls.
- In other cases, no such trends could be identified. This suggested that Italy may have been the market of destination for the products concerned.

Example 2: Shift in trade flows from Spain to Portugal

- **Portugal** reported increased imports of certain commodities, such as swordfish, from carded countries, coinciding with a decline in imports reported by Spain and an increase in intra-EU trade from Portugal to Spain. This indicated a shift towards importing commodities through Portugal, which may be related to disparities in implementation of import controls.

Example 3: High risk commodities transiting via the Netherlands

- **The Netherlands** reported increased imports of prepared and preserved tuna from Thailand after the yellow card, while imports to other MS, such as **Germany** and **Spain**, declined.
- Further analysis revealed an increase in intra-EU trade in processed tuna from the Netherlands to the rest of the EU in 2015–16, including to Germany and Spain.

Example 4: Trade anomalies reported by smaller importing MS

- Import fluctuations were observed for a number of smaller importing MS, coinciding with the carding of third countries. Trade anomalies were reported by, among others, **Austria, Romania, Czech Republic, Poland and Latvia**.

Conclusions

The findings set out in this report demonstrate the potential use of strategic trade monitoring to inform implementation of import controls under the IUU Regulation. Relatively simple analyses of publicly available trade datasets can assist in identifying weaknesses in import controls, and indicate where non-compliant products may be entering the EU market. Strategic trade monitoring is a low-cost but currently under-used tool that could assist MS in improving implementation of the IUU Regulation CC scheme, especially given the vast number of CCs received each year.

The future EU-wide database of CC information, currently being developed by the European Commission, presents further opportunities for strategic trade monitoring. Once complete, this would allow additional information (e.g. on flag States of origin and processing countries) to be cross-referenced against data in Eurostat, to aid interpretation of trends.

The findings of this study have several policy implications:

- Examples of trade diversions highlight the need for harmonised and effective implementation of the IUU Regulation CC scheme to secure a level playing field for operators and to ensure weaker border controls are not exploited as a route for non-compliant products to enter the EU market.
- There is a clear need for an electronic CC database to allow for information on consignments to be exchanged between MS, and to ensure that products rejected in one MS are not permitted entry to the EU market via another MS.
- The (re-)routing of high-risk products via certain transit MS shows how effective coordination between the transit and destination MS is needed to ensure that CCs are effectively scrutinised and do not 'slip through the cracks'.
- While a limited number of MS are responsible for the majority of import flows to the EU, smaller (and even landlocked) importing MS may still be implicated as alternative destination markets, or routes to market for high-risk seafood. All MS thus have a shared responsibility to implement effective import controls at their borders.

Recommendations

To EU Member States

1. Carry out further enquiries into the import fluctuations and intra-EU trade discrepancies identified in this report, particularly in the case of significant or repeated anomalies/shifts in trade, to confirm compliance of import flows with the IUU Regulation.
2. Incorporate strategic trade monitoring into risk management procedures in support of CC scheme implementation, and corroborate with CC data in the future EU-wide IT system.
3. Improve cooperation between MS of transit and of destination to ensure CCs and consignments are effectively scrutinised.
4. Improve trade reporting (including at intra-EU level) and use of available species-specific commodity codes to facilitate the robust analysis of trade flows.

To the European Commission

1. Ensure the improved and harmonised implementation of the IUU Regulation CC scheme, through: (i) development, testing and mandatory application of an EU-wide methodology for risk management, which should be integrated as a tool within the future EU IT system, (ii) provision of clear guidance to MS on procedures for the checking and verification of CCs, and (iii) establishment of EU-wide training standards for competent MS officials.
2. Incorporate strategic trade monitoring into EU-wide risk management procedures in support of CC scheme implementation, and corroborate with CC data in the future EU-wide IT system.
3. Following the establishment of the EU IT system, publish key CC data (excluding any nominal or sensitive information), including on flag State of origin, processing country, area of catch and weight of consignment, to allow for external monitoring of trends.
4. Introduce species-specific seafood commodity codes within the EU's Combined Nomenclature to facilitate the accurate monitoring of trade flows, particularly for fresh and frozen fillets of tuna.

To Industry

1. Exert due diligence over supply chains to ensure compliance of products with applicable laws and management measures.
2. Implement adequate traceability systems to ensure that claims of legality can be effectively and efficiently verified.

Introduction

A core aim of the European Union's (EU) Regulation to end illegal, unreported and unregulated (IUU) fishing – Regulation (EC) No. 1005/2008 – is to prevent, deter and eliminate trade in fisheries products deriving from IUU fishing into the EU[2]. IUU fishing undermines attempts to manage global fish stocks at sustainable levels, with serious implications for the health of marine ecosystems, food security and the livelihoods of those living in coastal communities.

The EU is the world's largest market for fisheries products in terms of value, with imports worth an estimated EUR 22.3 billion in 2015[3]. By introducing controls on imported seafood and setting out a system of trade sanctions, the IUU Regulation sets out to drive improvements in fisheries governance and traceability systems in countries that export fish to the EU.

The IUU Regulation establishes a catch certification (CC) scheme, which aims to ensure that products deriving from IUU fishing activities are prevented from entering the EU market. Seafood[4] consignments exported by third (non-EU) countries to the EU – whether as direct landings by their vessels in EU ports, consignments arriving as maritime freight at EU container terminals or arrivals by other modes of transport – must be accompanied by a CC attesting the legal origin of the products through validation by the flag State of the vessel that caught the seafood.

In order to export their catches to the EU, flag States must notify the European Commission that they have the necessary arrangements in place for the accurate validation of information in CCs, and to ensure compliance of their vessels with applicable rules[5]. The Commission must accept this notification before exports can begin. Third countries are also required to obtain approval to export seafood products to the EU under EU health and sanitary legislation, and report their authorised establishments (including factory and freezer vessels, and processing plants) from which exports of fisheries products are permitted[6].

On the importing side, the IUU Regulation requires member state (MS) authorities to verify the information in the CCs they receive based on the risk that the consignment concerned stems from IUU fishing activities[7]. Verifications may include contacting flag States or other third countries for assistance[8], such as to request logbook and Vessel Monitoring System (VMS) data, or copies of fishing licences, to confirm the legal origin of catches.

The CC scheme is complemented by a procedure to identify third countries as non-cooperating in the fight against IUU fishing (the 'carding' process). According to this procedure, countries may be pre-identified (yellow-carded) and, as a last resort, identified (red-carded) by the European Commission for failure to take action against IUU fishing in line with their international flag, coastal, port and/or market State obligations.

From the date of the Commission's decision to red card a third country, the importation of products caught by the carded country's vessels to the EU is prohibited[9]. The next step is a decision of the EU Council of Ministers placing the country formally on the EU list of non-cooperating third countries in the fight against IUU fishing[10]. The Council Decision is associated with a range of additional sanctions, including a ban on EU vessels operating within the country's waters[11]. As at end of September 2017, 24 countries/territories have received warnings under the IUU Regulation carding process, including major seafood exporters such as Thailand and Taiwan[12]. These have resulted in trade sanctions for six countries (Belize, Cambodia, the Comoros, Guinea, Saint Vincent and the Grenadines, and Sri Lanka). Thirteen countries have carried out fisheries management reforms to address identified shortcomings, and have had their yellow or red cards lifted (green card/delisting).

Information and intelligence gathered by MS when verifying incoming CCs can feed into the European Commission's decisions to pre-identify or identify third countries as non-cooperating in the fight against IUU fishing. Evidence of individual cases of illegal fishing detected by MS, as well as more systemic failures in the validation procedures of flag States, can be shared with the Commission via the IUU Regulation's system of Mutual Assistance[13].

At the same time, MS can integrate carding decisions into their risk management[14] under the CC scheme, and subject CCs validated by yellow-carded flag States to increased scrutiny[15]. The risk of IUU fishing may be considered higher for imports from yellow-carded countries, due to identified shortcomings in their systems for fisheries monitoring, control and surveillance (MCS); frameworks for the sanctioning of perpetrators of IUU fishing; and/or procedures to ensure the traceability of fisheries products in their supply chains[16].

2 Communication from the Commission to the European Parliament and the Council on the application of Council Regulation (EC) No 1005/2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing. COM(2015) 480 final: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52015DC0480&qid=15156115093555&from=EN
3 European Market Observatory for Fisheries and Aquaculture Products (EUMOFA) (2016). The EU Fish Market – 2016 edition. Available at http://www.eumofa.eu/
4 This includes all fish and fisheries products, with the exception of those listed in Annex I to the IUU Regulation, for example, freshwater fish, and aquaculture products from fry and larvae.
5 Article 20 Regulation (EC) No. 1005/2008: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:286:0001:0032:EN:PDF.
6 Articles 11 and 12 Regulation (EC) No. 854/2004 of the European Parliament and of the Council of 29 April 2004 laying down specific rules for the organisation of official controls on products of animal origin intended for human consumption. The list of third countries approved to export seafood products to the EU and their authorised establishments are available here: https://ec.europa.eu/food/safety/international_affairs/trade/non-eu-countries_en
7 The obligation on MS to carry out verifications based on risk management is set out in Article 17(3) Regulation (EC) No. 1005/2008.
8 Article 17(6) Regulation (EC) No. 1005/2008.
9 Article 18(1)(g) and Article 31 Regulation (EC) No. 1005/2008.
10 Article 33 Regulation (EC) No. 1005/2008.
11 Articles 33(2) and 38 Regulation (EC) No. 1005/2008.
12 https://ec.europa.eu/fisheries/sites/fisheries/files/illegal-fishing-overview-of-existing-procedures-third-countries_en.pdf
13 Article 51 Regulation (EC) No. 1005/2008.
14 Article 17(3) Regulation (EC) No. 1005/2008.
15 CCs should not be received from red-carded flag States following the date of the Commission's decision to red-card the country in question (Article 18(1)(g) Regulation (EC) No. 1005/2008).
16 For an overview of shortcomings identified in the European Commission's carding decisions under the EU IUU Regulation, see: EJF, Oceana, The Pew Charitable Trusts and WWF (2016). The EU IUU Regulation carding process: A review of European Commission carding decisions. http://www.iuuwatch.eu/wp-content/uploads/2015/06/3rdCountryCardingGuidelinesReport_FINAL.LOW_.pdf

Background to the Study

The IUU Regulation's CC scheme and the third country carding process are examples of trade-related measures to combat IUU fishing[17]. Taken together, the measures form a potentially powerful framework to prevent, deter and eliminate trade in seafood products stemming from IUU fishing to the EU. Prior to the adoption of the IUU Regulation in 2008, approximately 500,000 tonnes of illegal fisheries imports were estimated as entering the EU annually, to a value of approximately €EUR 1.1 billion[18].

However, concerns have been raised regarding implementation of the IUU Regulation CC scheme[19] and whether it is achieving its objective of keeping the EU market free of IUU seafood.

A recent analysis of biennial compliance reports submitted by MS under the IUU Regulation[20] highlighted clear disparities in the implementation of import controls across the EU, creating an uneven playing field for operators and leaving the system open to abuse. Differences were observed, in particular, in the frequency and rigour of checks and verifications of CCs, and in the quality of risk assessment procedures for identifying consignments for verification (see Annex I for key statistics for the 28 MS). The analysis concluded that, as a consequence of these disparities, high-risk trade flows may have shifted to MS with less stringent procedures for the assessment of import CCs.

Through an analysis of publicly-available trade datasets, the present study aims to assess the impact of the IUU Regulation on seafood trade flows to the EU and to identify diversions of trade between MS that may be related to disparities in implementation of import controls. The focus is on imports reported by individual MS (as opposed to the EU as a single market entity), in order to provide insights into implementation of the CC scheme at the national level.

Publicly accessible databases provide a wealth of data on fisheries-related trade flows. These include the EU's Eurostat database for import/export, landings and catch data, UN Comtrade for import/export data, and FAO FishStat for catch and trade data. Previous studies[21] have shown how analyses of these datasets – whether an analysis of a single dataset or a comparative analysis between two or more datasets – can support the fight against IUU fishing, including through the detection of trade anomalies indicative of IUU fishing activities or the assessment of effectiveness of trade or market-related measures.

The importance of trade data analysis as a tool in combatting IUU fishing is reflected in the IUU Regulation's Community risk criteria[22] which aim to assist MS in directing their CC verifications based on the risk that a given import stems from IUU fishing. Five out of the 15 risk criteria require MS to monitor trade flows into their territories, covering issues such as the discovery of new trade patterns, introduction of new kinds of fishery products, and significant and sudden increases in trade volumes for certain species. Application of these risk criteria in practice has been shown to assist in the detection of products from illegal fishing.[23]

To date, relatively few analyses of trade data have been carried out, either to assess the impacts of the IUU Regulation on seafood trade flows, or to support implementation of the Regulation through detection of trade flow anomalies related to potential IUU fishing activities. A 2014 study on the state of implementation of the IUU Regulation found no discernable impacts on trade flows that could be attributed to the Regulation[24]. This has raised the question of whether IUU products certified as legal are entering the EU market[25].

17 Hosch, G. (2016). Trade Measures to Combat IUU Fishing: Comparative Analysis of Unilateral and Multilateral Approaches. Geneva, International Centre for Trade and Sustainable Development (ICTSD): http://www.ictsd.org/themes/environment/research/trade-measures-to-combat-iuu-fishing-comparative-analysis-of-unilateral

18 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on a new strategy for the Community to prevent, deter and eliminate Illegal, Unreported and Unregulated fishing. COM/2007/0601 final: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52007DC0601&rid=1

19 See, for example: European Parliament (2013). Compliance of Imports of Fishery and Aquaculture Products with EU Legislation. November 2013: http://www.europarl.europa.eu/RegData/etudes/etudes/join/2013/513968/IPOL-PECH_ET(2013)513968_EN.pdf; and Joint Opinion of the EU Long Distance Advisory Council (LDAC), Market Advisory Council (MAC) and Mediterranean Advisory Council (MEDAC) on improving implementation of Council Regulation (EC) 1005/2008 to prevent, deter and eliminate IUU fishing. June 2017: http://ldac.chil.me/download-doc/145525.

20 EJF, Oceana, The Pew Charitable Trusts and WWF (2017). The EU IUU Regulation: Analysis of Implementation of EU Seafood Import Controls. http://www.iuuwatch.eu/2017/03/analysis-member-states-progress-implementation-import-controls-iuu-regulation/. The reports submitted by MS for the period 2010-2015 were obtained via access to information requests to the European Commission. The reports include, amongst other information, statistics on imports under the IUU Regulation, details of import control procedures and recommendations to improve current systems and frameworks.

21 See, for example: Lack, M. and Sant, G. (2001). "Patagonian Toothfish: Are Conservation and Trade Measures Working?" Traffic Bulletin Vol. 19, No. 1: http://www.traffic.org/publications/patagonian-toothfish-are-conservation-and-trade-measures-wor.html; Willock, A. (2004). "The Use of Trade and Market Information to Assess IUU Fishing Activities", presentation at the OECD IUU Workshop,19-20 April 2004: http://www.oecd.org/tad/fisheries/31652387.pdf; WWF (2012). "WWF Uncovers Massive Unreported Trade of Atlantic Bluefin Tuna through Panama", 31 October 2012: http://wwf.panda.org/wwf_news/?206573/Panama-trading-in-unreported-bluefin-tuna; TRAFFIC International and WWF Australia (2011). Continuing CCAMLR's Fight Against IUU Fishing for Toothfish. CCAMLR-XXVII/BG/38. https://www.ccamlr.org/en/ccamlr-xxvii/bg/38; Bürgener, M (undated). "Fisheries Trade Data Analysis – a Tool in Tackling Illegal Fishing and Related Trade", presentation: https://www.ccamlr.org/es/system/files/Day%204%20-%20Session%202%20-%20Fisheries%20Trade%20Data%20Analysis%20-%20Markus%20B%C3%BCrgener.pdf

22 Set out in Article 31 of the Commission Implementing Regulation to the IUU Regulation (Regulation (EC) No. 1010/2009): http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32009R1010&from=EN

23 See Jimenez, V. (2014). "Spain Seeks EU-wide Suspension of Vietnamese Swordfish Imports" Undercurrent News, 30 June 2014: http://www.undercurrentnews.com/2014/06/30/spain-seeks-eu-wide-suspension-of-vietnamese-swordfish-imports/ and House of Ocean (2014). "Illegal Fishing Control: Why Europe Needs a Common Software Platform", 4 August 2014: https://mercedesrosello.wordpress.com/2014/08/04/implementation-of-the-iuu-regulation-why-europe-needs-a-common-software/?postpost=v2#_ftn3

24 DG MARE. Study on the State of Play Regarding Application and Implementation of Council Regulation (EC) No. 1005/2008 of 29 September 2008, Establishing a Community System to Prevent, Deter and Eliminate IUU Fishing (IUU Regulation). Final Report. April 2014: http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

25 Hosch, G. (2016). Trade Measures to Combat IUU Fishing: Comparative Analysis of Unilateral and Multilateral Approaches. Geneva, International Centre for Trade and Sustainable Development (ICTSD).

While the 2014 study provides a useful baseline analysis, it may be regarded as limited in three main respects:

- Only three years of trade data (2010–2012) were available to the study, which may have been insufficient to account for any initial delays or teething problems in implementing the IUU Regulation. In the majority of MS, implementation of the CC scheme necessitated significant restructuring within the competent authorities[26], with officials from fisheries, veterinary, health and customs authorities, among others, required to work together – in some cases, for the very first time.

- The analysis was conducted at a relatively coarse resolution, focusing on annual data reported under non-specific (four-digit) commodity codes and involving the largest supplier countries for each commodity group. This may have masked shifts in trade flows specific to certain higher-risk commodities or exporting countries, detectable only at a finer resolution of analysis.

- The analysis considered data only up to end 2012, while the first yellow cards under the Regulation were issued in November 2012. The carding of third countries assists MS in directing their risk analyses, while a red card, which is accompanied by an import ban, should have a direct impact on trade flows to the EU. The analysis was therefore unable to consider any shifts in trade flows linked to the carding process.

Indeed, more recent data suggest that shifts in trade flows attributable to the IUU Regulation have occurred in recent years. Several MS identified such shifts in their biennial reports under the IUU Regulation for the 2014/15 reporting period. Spain, for example, observed a decrease in trade flows following an increase in the number of verification requests to certain third countries[27]. Details of these shifts, as well as other examples identified based on flag State data reported by the MS, are set out in the analysis of MS biennial reports referred to above[28].

Methodology

Given the estimated volumes of illegally caught seafood entering the EU prior to the IUU Regulation's entry into force, the import controls introduced through the Regulation are expected to have had an impact on seafood trade flows to the EU. Shifts would be expected, in particular, following the red carding of third countries and imposition of trade sanctions, to the extent that red-carded countries were previously exporting fisheries products to the EU. Yellow cards may also have had an impact on trade flows, for example, where carding decisions influence purchasing decisions by operators (importers, wholesalers, retailers, etc.) or lead to increased verifications by MS authorities based on risk management, potentially resulting in a higher rate of rejected consignments.

These assumptions were investigated through an analysis of fish and fishery product imports reported by the 28 EU MS in the Eurostat database for the period 2005 to 2016. A five-year period prior to the Regulation's entry into force was considered a sufficient period to ensure any year-to-year fluctuations in trade flows external to the Regulation, e.g. due to resource availability, did not skew the analysis. 2016 was the most recent full year for which import data were available in the Eurostat database. The research for this study was carried out between June and September 2017.

Selection of exporting countries

To restrict the number of exporting third countries under consideration, the analysis was limited to countries with a higher risk of linkages to IUU fishing, namely those that have been carded under the Regulation. As outlined above, the carding of a third country implies that the country concerned is falling short in its compliance with international obligations to combat IUU fishing. It may be assumed that flag States with identified deficiencies in MCS systems – as indicated by the granting of a yellow (or, subsequently, red) card by the Commission – will be less able to reliably certify the legal origin of seafood caught by their vessels.

While the carding process does not currently extend to all third countries with shortcomings in their fisheries management or MCS procedures, or with identified IUU vessels registered to their flag[29], it provides a useful metric to focus the analysis. The decision to card a third country is made in accordance with criteria established in the IUU Regulation, while the official decisions are made publicly available and thus accessible to all MS. Operators in the EU have also begun to integrate the carding process into their supply chain risk analyses[30].

Of the 23 third countries carded up to end 2016, 13 were authorised to export seafood products to the EU for all or part of the period of study (2005–2016). This refers to authorisations under the EU IUU Regulation (acceptance of flag State notifications) and under EU health and sanitary legislation (authorised countries and establishments). These 13 countries are highlighted in **Table 1**.

26 See, for example: EJF, Oceana, The Pew Charitable Trusts and WWF (2016). Resource Constraints on Effective IUU Regulation Implementation in The Netherlands. http://www.iuuwatch.eu/wp-content/uploads/2015/06/IUU_Netherlands_Brief_ENG_4pp-NEW-low.pdf
27 For example, swordfish caught by Indonesian and Taiwanese-flagged vessels.
28 EJF, Oceana, The Pew Charitable Trusts and WWF (2017). The EU IUU Regulation: Analysis of implementation of EU seafood import controls.
29 See, for example, the countries listed in the NOAA Biennial Reports to Congress: http://www.nmfs.noaa.gov/ia/slider_stories/2017/01/2017biennialreport.html
30 Organisation of Associated Producers of Large Tuna Freezers (OPAGAC) (2017). "Eroski Decides to Align Its Tuna Procurement Policy with Sustainability", 31 March 2017: http://opagac.org/en/eroski-decides-to-align-its-tuna-procurement-policy-with-sustainability/

Table 1: Overview of third country authorisations to export seafood products to the EU (carded countries/ territories up to end 2016)

Third country/ territory	Date of carding decisions[1]				Date of acceptance of flag State notification (Regulation (EC) No. 1005/2008)[2]	Date of listing as an authorised exporting country in Annex II of Commission Decision 2006/766/EC[3]	Authorised establishments for fisheries products (Regulation (EC) No. 854/2004)[4]
	Yellow (pre-identification)	Red (identification)	Listing	Withdrawn/ delisted			
Belize	November 2012	November 2013	March 2014	December 2014	17 March 2010	6 November 2006[5]	Yes (PP, ZV)
Cambodia	November 2012	November 2013	March 2014	-	N/A	N/A	No
Comoros	October 2015	May 2017	July 2017	-	N/A	N/A	No
Curaçao	November 2013	-	-	February 2017	28 March 2011[6]	17 October 2012[7]	Yes (RV, ZV)
Fiji	November 2012	-	-	October 2014	1 January 2010	25 February 2011[8]	Yes (CS, PP, ZV)
Ghana	November 2013	-	-	October 2015	1 January 2010	6 November 2006[5]	Yes (CS, PP, ZV)
Kiribati	April 2016	-	-		N/A	16 June 2017[9]	No
South Korea	November 2013	-	-	April 2015	1 January 2010	6 November 2006[5]	Yes (CS, FV, PP, ZV)
Panama	November 2012	-	-	October 2014	3 February 2010	6 November 2006[5]	Yes (FV, PP, RV, ZV)
Papua New Guinea	June 2014	-	-	October 2015	4 February 2010	6 November 2006[5]	Yes (CS, PP, ZV)
Philippines	June 2014	-	-	April 2015	15 January 2010	6 November 2006[5]	Yes (CS, PP, ZV)
Republic of Guinea	November 2012	November 2013	March 2014	October 2016	1 January 2010 – 28 March 2014[10]	6 November 2006[5][11] Suspended 2 February 2007[12]	No
Sierra Leone	April 2016	-	-	-	N/A	N/A	No
Solomon Islands	December 2014	-	-	February 2017	1 January 2010	14 December 2009[13]	Yes (CS, PP, ZV)
Sri Lanka	November 2012	October 2014	February 2015	June 2016	1 January 2010	6 November 2006[5]	Yes (PP)
St Kitts and Nevis	December 2014	-	-	-	N/A	N/A	No
St Vincent and Grenadines	December 2014	May 2017	July 2017	-	N/A	N/A	No
Taiwan	October 2015	-	-	-	1 January 2010	6 November 2006[5]	Yes (PP, RV, ZV)
Thailand	April 2015	-	-	-	1 January 2010	6 November 2006[5]	Yes (PP, RV)
Togo	November 2012	-	-	October 2014	N/A	6 November 2012[14]	Yes (PP)
Trinidad and Tobago	April 2016	-	-	-	N/A	N/A	No
Tuvalu	December 2014	-	-	-	N/A	N/A	No
Vanuatu	November 2012	-	-	October 2014	N/A	N/A	No

Abbreviations:
CS – cold stores; FV – factory vessel; PP – processing plant; RV – reefer vessel; ZV – freezing vessel

Notes:
[1] https://ec.europa.eu/fisheries/sites/fisheries/files/illegal-fishing-overview-of-existing-procedures-third-countries_en.pdf. Accessed on 8 September 2017.
[2] Notification submitted to the European Commission under Article 20 of Regulation (EC) No 1005/2008.
[3] Countries and territories referred to in Article 11 of Regulation (EC) No 854/2004 from which imports of certain fishery products for human consumption are permitted.
[4] Listed in accordance with Article 12 of Regulation (EC) No. 854/2004. Accessed 7 July 2017.
[5] http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32006D0766
[6] Between 12 February 2010 and 10 October 2010, notified as part of the Netherlands Antilles (Curaçao, Sint Maarten, Bonaire, Sint Eustatius and Saba). The Netherlands Antilles ceased to exist as of 10 October 2010.
[7] http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1499437809496&uri=CELEX:32012D0650. Previously included as part of Netherlands Antilles.
[8] http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32011D0131&qid=1499438348196&from=EN
[9] http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017D1089&from=EN
[10] Republic of Guinea was listed by the Council as a non-cooperating third country in March 2014 and subsequently delisted in October 2016.
[11] Only fish that has not undergone any preparation or processing operation other than heading, gutting, chilling or freezing
[12] http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1499439768937&uri=CELEX:32007D0082
[13] http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32009D0951&qid=1499440083164&from=EN
[14] http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32012D0692&qid=1499440646445&from=EN

Data extraction and selection of fisheries commodities

The Harmonised Commodity Description and Coding System (HS), administered by the World Customs Organization (WCO), sets out commodity codes at the six-digit (HS6) level. These HS6 codes provide the basis for all national tariff codes and are harmonised globally. The first two digits represent the Chapter, the second two digits the Heading, and the final two digits the Sub-heading. The EU has adopted an eight-digit system, the Combined Nomenclature (CN8), which provides greater specificity for certain commonly traded goods to, from and within the EU. This adds a final two digits to the standardised HS6 codes, providing additional information for example on species, preparation, stage of processing, etc.

Seafood import data for the 23 carded third countries up to end 2016[31] were downloaded using Eurostat COMEXT for the period 2005–2016. Eurostat only records trade reported on the importing (i.e. MS) side, which was considered sufficient for the purposes of the present analysis. The exporting country reported in Eurostat may be the flag State of the catching vessel[32], or the country from which products are exported after landing and processing.

The first stage of the analysis considered fisheries products reported at the HS4 level under Chapter 03 (Headings 01 to 08[33]), and Chapter 16 (Headings 04 and 05) (Table 2).

- Chapter 03, broadly speaking, covers fish, crustaceans, molluscs and other aquatic invertebrates in unprocessed form or at an early stage of processing. The individual headings in this chapter describe more specifically the presentation of the products, for example, fresh or chilled fish, frozen fish, fish fillets and other fish meat, or molluscs in whatever form.
- Chapter 16 includes prepared and preserved fish, for example, tuna traded in canned form or as loins for canning, as well as prepared and preserved aquatic invertebrates such as molluscs, shrimps and prawns.

Where notable trends in imports or shifts in trade were identified at HS4 level, additional analyses were carried out at HS6 and CN8 levels to determine the specific commodity groups concerned. This is further explained under *Analysis of monthly time series* below.

Table 2: Commodity codes and descriptions included in the analysis

Heading (HS4)	Description
0301	Live fish
0302	Fish, fresh or chilled, excluding fish fillets and other fish meat of heading 0304
0303	Fish, frozen, excluding fish fillets and other fish meat of heading 0304
0304	Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen
0305	Fish, dried, salted or in brine; smoked fish, whether or not cooked before or during the smoking process; flours, meals and pellets of fish, fit for human consumption
0306	Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; smoked crustaceans, whether in shell or not, whether or not cooked before or during the smoking process; crustaceans, in shell, cooked by steaming or by boiling in water, whether or not chilled, frozen, dried, salted or in brine; flours, meals and pellets of crustaceans, fit for human consumption
0307	Molluscs, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; smoked molluscs, whether in shell or not, whether or not cooked before or during the smoking process; flours, meals and pellets of molluscs, fit for human consumption
0308	Aquatic invertebrates other than crustaceans and molluscs, live, fresh, chilled, frozen, dried, salted or in brine; smoked aquatic invertebrates other than crustaceans and molluscs, whether or not cooked before or during the smoking process; flours, meals and pellets of aquatic invertebrates other than crustaceans and molluscs, fit for human consumption
1604	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs
1605	Crustaceans, molluscs and other aquatic invertebrates, prepared or preserved

31 The 24th country carded up to end September 2017, Liberia, only received a yellow card in May 2017, and thus fell outside the 2005-2016 period of study.
32 See Eurostat (2016). User guide on European statistics on international trade in goods. Luxembourg: Publications Office of the European Union. Available at: http://ec.europa.eu/eurostat/documents/3859598/7679615/KS-GQ-16-009-EN-N.pdf/073b853a-a4f4-4c55-aaba-162671544c78 at p.71.
33 It is noted that heading 0308 (other aquatic invertebrates) only came into force on 1 January 2012, limiting the potential for analysis of trends over time. Prior to 2012, the commodities reported under the new heading 0308 were reported under headings 0307 and 1605. It is noted that only three carded countries – Fiji, Philippines and Sri Lanka – reported total imports of >10 tonnes under heading 0308 for the five-year period 2012-2016. In these three cases, total imports under heading 0308 did not exceed 80 tonnes for the entire period. Due to the low quantities involved, it was not considered necessary to adjust imports reported under headings 0307 and 1605 prior to 2012 to account for the change in reporting in 2012. For further information, see: https://unstats.un.org/unsd/tradekb/Knowledgebase/50018/Harmonized-Commodity-Description-and-Coding-Systems-HS and http://unstats.un.org/unsd/tradekb/Attachment433.aspx?AttachmentType=1

Identification of import fluctuations

Seafood import volumes to each MS were compared pre- and post-: (i) entry into force of the IUU Regulation (1 January 2010); and (ii) date of the carding decision(s) including green card/delisting. Imports were compared for the 12-month periods pre-/post- these events (e.g. 2009 vs. 2010), and for the 24-month periods pre-/post- these events (e.g. 2008-2009 vs. 2010–2011). These time frames were selected to account for both abrupt and more gradual shifts in trade flows, annual fluctuations in imports due, for example, to resource variability, delays in the initial implementation of the IUU Regulation and variations in the length of time third countries have been subject to carding decisions (see Table 1)[34]. The period of comparison pre- and post-IUU Regulation was limited to two years, to attempt to separate the impact of the IUU Regulation's entry into force from the impact of the first carding decisions in November 2012.

The value of including periods of 12 and 24 months in the analysis is highlighted in the case of imports of prepared and preserved fish (1604) reported by Italy from Ghana (see Figure 13b in the Results section). Here, a peak in imports was observed in the months prior to the yellow card, resulting in an 11% drop in imports in the 12 months following the decision. However, in the longer term, Italy reported an increase in imports following the carding decision (a 63% increase in the 24 months post-carding), which continued after the yellow card was withdrawn in October 2015. This contrasts to cases where the major shift occurred in the months immediately following the yellow card, as observed for imports of frozen fish reported by France, Italy and Portugal from Belize – see Figures 4a to 6a. By including both 12- and 24-month time periods within the analysis, this assisted in the interpretation of trends, including whether shifts were abrupt or occurred more gradually over time.

Fluctuations of ±20% pre– and post–1 January 2010/carding decision(s) were selected for further investigation, where annual imports to the MS in question were >100 tonnes. These thresholds were selected on an arbitrary basis, with the aim of excluding insignificant/minor trade flows for which clear linkages to application of the IUU Regulation would be more difficult to discern. When applied, these thresholds resulted in the removal of around half of the dataset from the subsequent stages of the analysis.

Analysis of monthly time series

For the import fluctuations identified based on the above thresholds, time series graphs were plotted per MS and commodity to observe patterns in monthly import volumes post–1 January 2010/carding decision(s). The entry into force of the IUU Regulation and the date(s) of the carding decision(s) were marked on the graphs for reference. Where interesting trends were observed, additional data extractions were used to determine the specific commodity or group of commodities concerned at HS6 or CN8 level.

Only those commodities falling within the scope of the IUU Regulation (e.g. excluding freshwater fish and aquaculture products from fry or larvae) are discussed in the **Results** section below[35].

Analysis of intra-EU trade

For selected key trends, such as repeated or notable increases in imports to a given MS following the entry into force of the IUU Regulation, an analysis of intra-EU trade data was carried out to determine whether the importing MS was the likely destination for the products concerned. Imports from the carded country were compared with dispatches (intra-EU exports) from the importing MS to the other 27 MS. Arrivals (intra-EU imports) reported by the 27 MS from the importing MS were also considered, in order to provide as complete a picture of trade as possible, given the limitations of intra-EU trade data. Unlike extra-EU trade statistics, which are based on customs declarations, intra-EU trade statistics are reported directly by trade operators based on invoices and only above a certain reporting threshold, which can vary across MS[36]. Trade may therefore be reported in dispatches but not in arrivals, and vice versa[37].

Volumes reported on the dispatch (intra-EU export) and arrival (intra-EU import) side were also compared for major irregularities (discrepancies), which could warrant further enquiry by the MS in question. Discrepancies between dispatches and arrivals may arise inter alia from differences in thresholds for intra-EU trade reporting applied by MS, or may indicate that under-reporting by operators has occurred.

While the potential for such analyses is limited by the fact that the country of origin is not reported for intra-EU trade flows, it is possible to make inferences, which can then be confirmed through further discussions with operators/authorities. **Intra-EU trade data may also not be complete or comparable across MS (see above)[38], thus caution was exercised in the interpretation.**

34 The Philippines, for example, was subject to a yellow card for less than one year (June 2014 to April 2015). In contrast, Curaçao's yellow card was in place for more than three years (November 2013 to February 2017).

35 The current list of products excluded from the scope of the IUU Regulation is set out in Commission Regulation (EC) No. 202/2011 amending Annex I to Council Regulation (EC) No 1005/2008 as regards the definition of fishery products and amending Regulation (EC) No 1010/2009 as regards prior notification templates, benchmarks for port inspections and recognised catch documentation schemes adopted by regional fisheries management organisations. Excluded products were determined in accordance with the methodology set out in the 2014 DG MARE study: http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

36 For further information, see Eurostat (2015). National requirements for the Intrastat system. 2015 edition. Luxembourg: Publications Office of the European Union: http://ec.europa.eu/eurostat/documents/3859598/6932427/KS-GQ-15-007-EN-N.pdf/140abfa5-6e90-4c2c-b050-5af2657bd593

37 Ibid.

38 Ibid.

Results

This section details fluctuations in imports of seafood to the EU and related intra-EU trade flows that may be potentially linked to the IUU Regulation's entry into force or the carding process.

It is noted that this report does not attempt to put forward all possible explanations for the observed fluctuations in trade. Due to the complex interplay of factors that may influence trade flows (e.g. changes in import tariffs, health alerts and exchange rate variations) and the number of import fluctuations observed, it is beyond the scope of this study to explain or interpret every trend identified.

Rather, it is suggested that competent MS authorities may wish to carry out further enquiries to understand the drivers behind the shifts in trade identified in this analysis, for example through discussions with importers or traders of seafood products within their territories.

The structure of this section is as follows:

SECTION 1 describes the key fluctuations in seafood flows to the EU identified in the analysis. An overview of certain key factors that may have influenced trade flows to the carded country in question (such as the conclusion of trade agreements with the EU and changes in import tariff preferences), as well as an overview of the carded country's fishing activities and processing industry, is also provided.

The entry into force of the IUU Regulation and the date(s) of the carding decision(s) are marked on the graphs in Section 1 as vertical coloured lines (grey, yellow, red, black and green) for reference.

SECTION 2 provides further analysis of selected interesting or recurring trends, including shifts in intra-EU trade flows that may be linked to the import fluctuations identified.

SECTION 1:

Overview of import fluctuations by carded third country

Highlights:

- Declines in seafood imports were reported by the EU from several carded countries/territories around the time of the IUU Regulation's entry into force, e.g. Ghana, Panama, the Philippines, Sri Lanka, Taiwan, and Thailand. In other cases, declines were observed later, around the time of the carding decision, e.g. Korea.

- For some carded countries, the application of trade agreements or preferential tariffs appeared to result in increased import volumes following the Regulation's entry into force, e.g. for Papua New Guinea from 2010 onwards and Belize from 2009 onwards. Imports from the Solomon Islands also increased from 2011 onwards.

- Decisions under EU health legislation have also had an impact: Italy was the only MS to report imports from Guinea after the temporary suspension of imports in February 2007.

- In many cases, declines in imports were observed prior to and following a yellow carding decision. However, variations were observed across MS.

    - **Italy** reported sudden increases or random peaks in trade that coincided with the yellow carding decisions for eight out of the 13 carded countries authorised to export seafood to the EU during the period 2005–2016. Trade anomalies primarily concerned tuna (frozen, whole; fillets/meat; prepared and preserved) and swordfish (fresh/chilled and frozen, whole; fillets/meat).
    - At least four instances were observed of increased imports reported by **Portugal** prior to or following a yellow carding decision, which coincided with declines in imports reported by **Spain.** These cases concerned imports of swordfish, sharks and preparations of surimi.
    - **The Netherlands** and **France** also reported increased imports or peaks in trade following the Regulation's entry into force or around certain carding decisions, e.g. the Netherlands for prepared and preserved tuna from Ghana and Thailand, and France for frozen swordfish/shark from Belize, frozen yellowfin tuna from the Philippines and fresh/chilled yellowfin tuna from Sri Lanka.
    - Random peaks in trade and other trade anomalies were reported by MS that are not considered major importers of seafood in the EU, e.g. **Austria, Belgium, Bulgaria, Croatia, Czech Republic, Latvia, Lithuania** and **Poland.**

- Imports of certain commodities declined across all MS following the Regulation's entry into force, e.g. imports of molluscs (cuttlefish, octopus and squid) from Korea, Taiwan and Thailand. For other commodities (e.g. frozen tuna, swordfish and shark, and prepared and preserved tuna), it was common to observe differing trends in imports between MS.

Fluctuations are described below for 11 out of the 13 countries authorised to export seafood to the EU during the period 2005–2016, i.e. excluding Curaçao and Fiji. While the EU imported significant quantities of seafood from Curaçao during the period 2005–2016 (the vast majority of which concerned frozen fish imported by Spain), the aggregation of imports from Curaçao with imports from the rest of the Netherlands Antilles up to end 2012 hinders the detailed analysis of trends[39]. Imports reported by the EU from Fiji were relatively low across all MS during the period 2005–2016, with no notable trends identified. An overview of the total volume and value of seafood imports to the EU for the carded countries considered in this section is provided in **Table 3**.

Table 3: Total volume and value of EU seafood imports falling within the scope of the IUU Regulation from selected carded third countries/territories (2005–2016)

Exporting country/territory	Imports reported by EU-28 (tonnes)	Imports reported by EU-28 (million EUR)
Belize	26,032	53.1
Ghana	455,292	1470.8
Korea	293,194	853.5
Panama	244,173	378.9
Papua New Guinea	276,251	885.5
Philippines	667,855	1630.0
Guinea	16,661	43.2
Solomon Islands	48,775	233.5
Sri Lanka	95,460	849.7
Taiwan	103,339	220.9
Thailand	1,911,868	6394.1

Source: Eurostat

39 Although the island grouping of the Netherlands Antilles was dissolved on 10 October 2010, Eurostat aggregates trade for Curaçao with the other islands in this grouping up to end 2012: http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1499437809496&uri=CELEX:32012D0650.

Identified fluctuations in import flows included gradual and abrupt increases/declines in import volumes following the Regulation's entry into force and carding decisions. Trade anomalies, such as random peaks in trade, the emergence of new trading partners, and significant and sudden increases in import volumes, were also observed. These included:

- The abrupt decline in imports of:
    - frozen swordfish from Panama reported by Spain following the yellow card;
    - frozen fish from Thailand reported by the EU following the Regulation's entry into force.
- The gradual increase in imports of:
    - prepared and preserved fish, mainly surimi, from Korea reported by Portugal following the IUU Regulation's entry into force.
- The gradual decline in imports of:
    - molluscs from Korea reported by the EU from 2009 onwards;
    - molluscs from Taiwan reported by the EU following the IUU Regulation's entry into force;
    - fish fillets and other meat, as well as molluscs, from Thailand reported by the EU following the Regulation's entry into force.
- The emergence of:
    - France, Italy and Portugal as importers of frozen fish from Belize following the yellow card;
    - Italy as a major importer of frozen fish, as well as prepared and preserved fish, from Ghana prior to the yellow card;
    - the Netherlands as a major importer of prepared and preserved fish from Ghana following the Regulation's entry into force;
    - the emergence of the Czech Republic and Poland as importers of fish fillets/meat from Sri Lanka around the time of the yellow card.
- Random peak(s) in imports of:
    - prepared and preserved fish from the Philippines reported by Italy and Spain prior to the yellow card;
    - prepared and preserved fish from the Solomon Islands reported by France just after the yellow card.
- Significant and sudden increases in imports of:
    - frozen swordfish from Korea reported by Portugal following the yellow card;
    - frozen swordfish from Panama reported by Portugal following the yellow card;
    - fresh and chilled fish from Sri Lanka reported by France and Italy between the yellow and red carding decisions;
    - frozen swordfish from Taiwan reported by Italy and Portugal around the time of the yellow card.

These patterns may be the result of differing underlying trade dynamics. A gradual or abrupt decline in imports from a third country following the IUU Regulation's entry into force could suggest that compliant seafood products could not be sourced from the country concerned, resulting in their substitution with products from alternative (compliant) sources. This may have occurred immediately from 1 January 2010, or with some delay as issues became apparent with imports from certain sources through application of the CC scheme. In addition, where declines in imports were observed in the years prior to the Regulation's entry into force, this could suggest that operators began to adjust their sourcing decisions in light of the EU's future policy direction on IUU fishing, for example, following the publication of the European Commission's Communication on a new strategy to combat IUU fishing in October 2007, or indeed the adoption of the IUU Regulation itself in September 2008.

Significant and sudden increases in imports following a yellow card, or random peaks in imports, could be indicative of a 'race to trade' in anticipation of any future import ban, or the opportunistic offloading of products when markets become available. Sudden increases in imports, or the emergence of new importing MS, could be indicative of a shift in imports away from one MS to another MS due to differences in the treatment of risk by authorities or operators, or disparities in standards of control.

As noted above, this report does not attempt to put forward all possible explanations for the observed fluctuations in trade. Due to the complex interplay of factors that may influence trade flows (e.g. changes in import tariffs, health alerts and exchange rate variations) and the number of fluctuations observed, it is beyond the scope of this study to explain or interpret every trend identified.

BELIZE

Highlights:

- Imports of seafood began to increase from 2009, following the entry into provisional application of the CARIFORUM-EU EPA in December 2008.
- **France, Italy** and **Portugal** emerged as importers of frozen fish from Belize following the yellow card in November 2012. For **France** and **Portugal** this concerned mainly swordfish and shark; for **Italy**, this concerned yellowfin tuna.
- Imports of frozen fish reported by **Spain** increased following the yellow card (yellowfin tuna, sharks and swordfish).
- France, Portugal and Spain continued to report imports after the red card, with a peak reported by France just prior to the blacklisting.

Background

Belize was among the first countries to be pre-identified (yellow-carded) by the European Commission in November 2012, for failure to effectively fulfil its obligations as a flag State under international law[40]. Belize was subsequently identified as non-cooperating in the fight against IUU fishing (red-carded) in November 2013, as of which date an import ban on seafood caught by Belize's high seas fleet was effective[41]. Belize was listed by the Council as a non-cooperating third country in March 2014 and delisted in December 2014.

Belize has ratified the CARIFORUM-EU Economic Partnership Agreement (EPA)[42], which entered into provisional application in December 2008[43]. The CARIFORUM-EU EPA opens up the EU market to CARIFORUM States through duty- and quota-free market access into the EU for all products. It also provides for EU development cooperation in the Caribbean region.

Vessels flagged to Belize carry out fishing activities primarily in the Eastern Central Atlantic, including in the exclusive economic zones (EEZs) of Mauritania, Gabon and Guinea-Bissau, as well as in the Southeast and Southwest Atlantic and in the Southeast Pacific[44]. This includes vessels owned by EU operators. A recent study identified 12 cases of vessels reflagging between Belize and the flag of an EU MS during the period 2005–2015[45].

Analysis of import data

The main seafood commodities imported by the EU MS from Belize are tunas (yellowfin, skipjack and bigeye), sharks and swordfish, traded in frozen form[46].

During the period 2005–2009, Belize exported around 200 tonnes of seafood to the EU annually, according to importer reported data in Eurostat. Exports increased year on year between 2009 and 2013 (see Figure 1a) before declining in 2014 following the EU import ban. Since the entry into force of the IUU Regulation, Belize has exported around 3600 tonnes of seafood annually to the EU, with an average annual value of EUR 7.2 million approx. (Figure 2a).

An overview of fluctuations in MS imports of seafood from Belize following the entry into force of the EU IUU Regulation and carding decisions is provided in Table A.

The analysis of monthly EU imports of seafood from Belize revealed fluctuations in imports of frozen fish (0303), among others, following the yellow carding decision in November 2012 (Figures 3a-7a). These trends were particularly evident for imports of yellowfin tuna, swordfish and sharks in frozen form.

With the exception of the import of 90 tonnes of frozen swordfish by France in August 2011 (Figure 4a), Spain is the only MS to report imports of frozen fish from Belize prior to the yellow card (see Figure 7a). Spain reported a 12% increase in imports in the year following the yellow card, with imports increasing from 3671 tonnes (Nov 2011–Oct 2012) to 4115 tonnes (Nov 2012–Oct 2013), including 2078 tonnes of yellowfin tuna, 668 tonnes of sharks and 126 tonnes of swordfish.

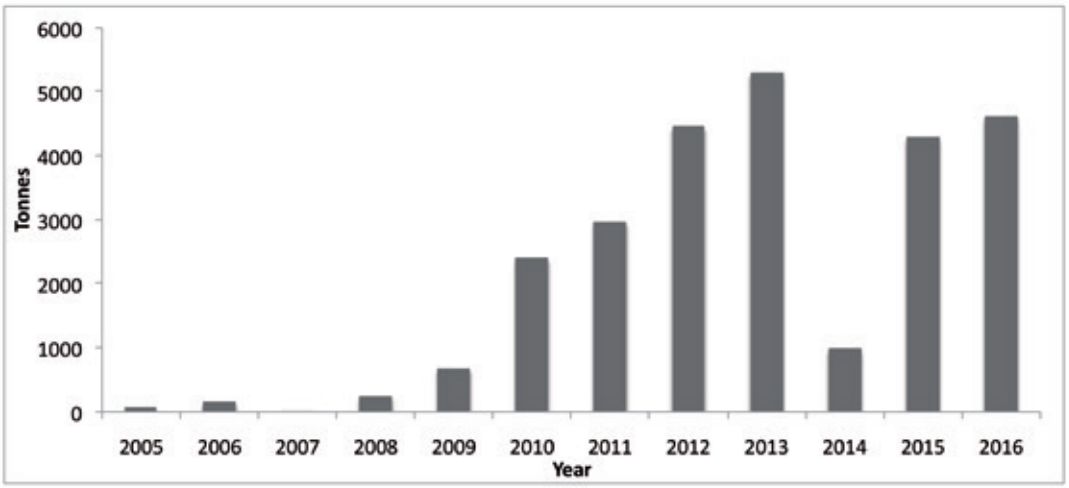
40 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C:2012:354:FULL&from=EN
41 Article 18(1)(g) of Regulation (EC) No. 1005/2008.
42 http://trade.ec.europa.eu/doclib/docs/2016/january/tradoc_154165.pdf
43 http://ec.europa.eu/trade/policy/countries-and-regions/regions/caribbean/
44 Sea Around Us. Catches by High Seas by the fleets of Belize: http://www.seaaroundus.org/data/#/fishing-entity/16?chart=catch-chart&dimension=highseas&measure=tonnage&limit=10. Accessed 15 June 2017.
45 http://www.whofishesfar.org/files/Reflagging_by_EU_fishing_vessels_-_the_need_for_stricter_standards.pdf
46 Import volumes reported in Eurostat at the CN8 level for the period 2005-2016.

The following MS also reported imports in the year following the yellow card:

- France reported importing 401 tonnes of frozen fish from Belize, primarily swordfish (136 tonnes) and shark (230 tonnes) (Figure 4a).
- Italy reported importing 809 tonnes of frozen fish from Belize, all of which was yellowfin tuna (Figure 5a)
- Portugal reported importing 460 tonnes of frozen fish from Belize, primarily swordfish (257 tonnes) and shark (191 tonnes) (Figure 6a).

Imports reported by Spain, France and Portugal continued after the red card in November 2013 but then ceased after the Council decision to list Belize as a non-cooperating third country in March 2014. A peak in imports to France occurred just prior to the listing (273 tonnes of frozen fish including swordfish and shark in February 2014). Imports to Spain and Portugal then re-commenced following the delisting of Belize in December 2014. Limited or no trade has been reported to Italy and France since the delisting.

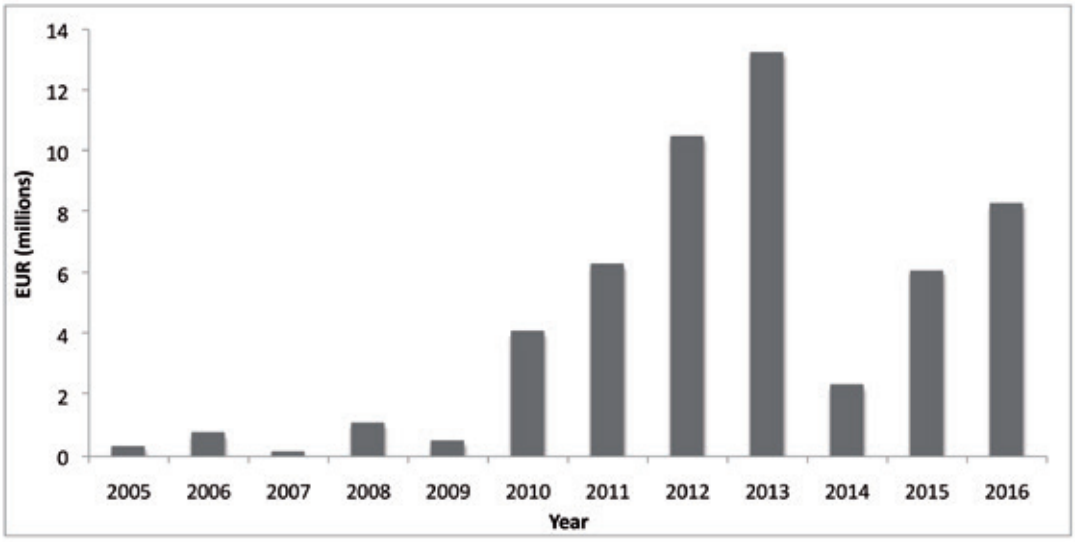
Figure 1a: Estimated volume of seafood* imports from Belize reported by the EU-28 (2005–2016)



Source: Eurostat

*Estimated volume of products falling within the scope of the IUU Regulation. Calculated based on the methodology set out in DG MARE (2014): http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

Figure 2a: Estimated value of seafood* imports from Belize reported by the EU-28 (2005–2016)



Source: Eurostat

*Estimated value of products falling within the scope of the IUU Regulation. Calculated based on the methodology set out in DG MARE (2014): http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

Figure 3a: Monthly imports of frozen fish (0303) from Belize reported by the 28 MS

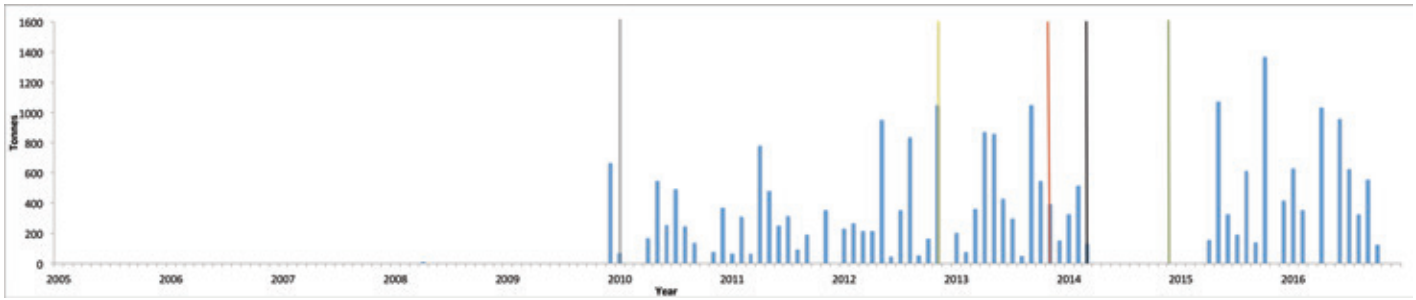


Figure 4a: Monthly imports of frozen fish (0303) from Belize reported by France

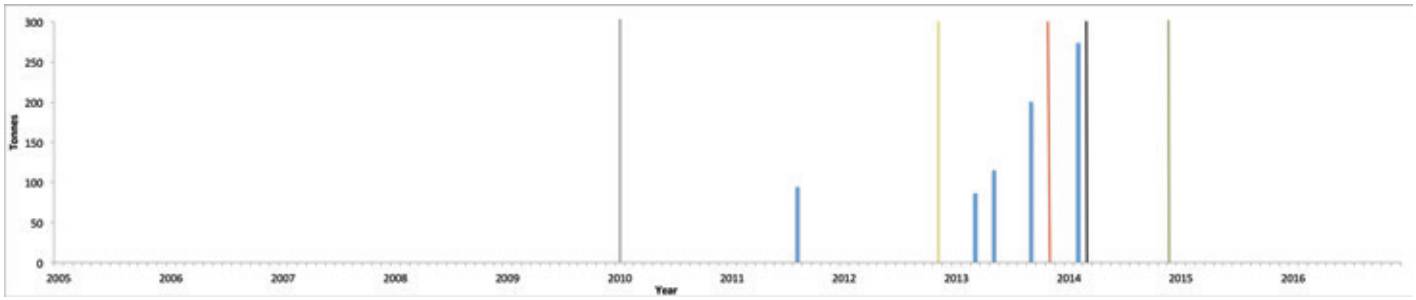


Figure 5a: Monthly imports of frozen fish (0303) from Belize reported by Italy

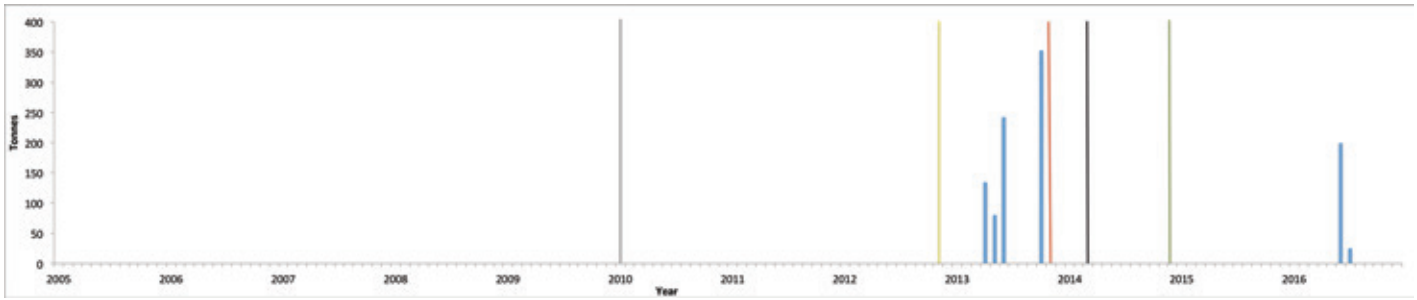


Figure 6a: Monthly imports of frozen fish (0303) from Belize reported by Portugal

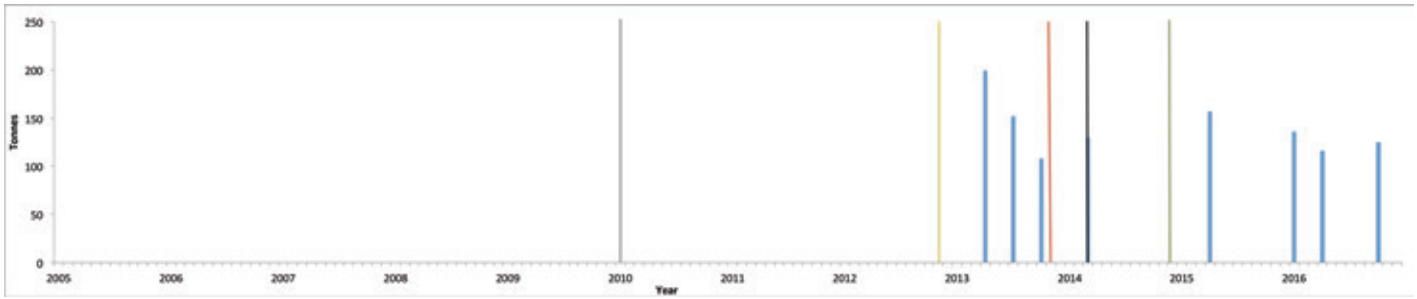
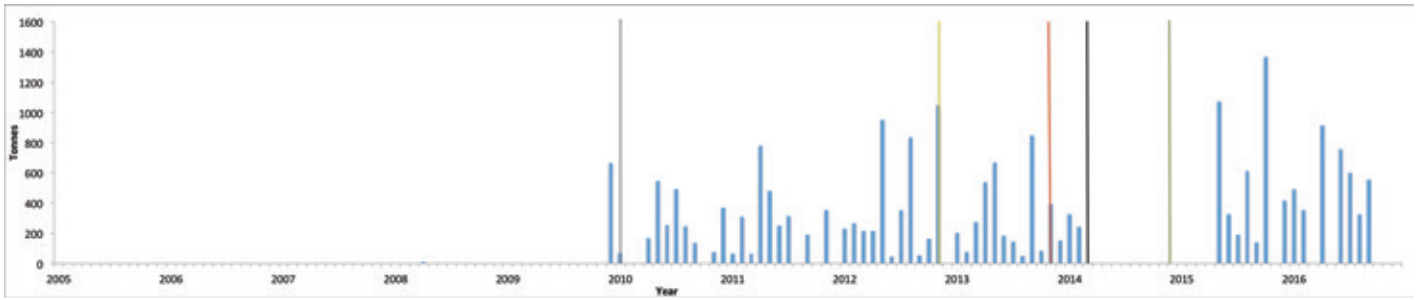


Figure 7a: Monthly imports of frozen fish (0303) from Belize reported by Spain



Note: The entry into force of the IUU Regulation and the dates of the carding decisions are marked as vertical coloured lines (grey, yellow, red, black and green).

Table A: Fluctuations in member state imports of seafood from Belize following entry into force of the EU IUU Regulation, and carding decisions

Commodity	Member state	Imports 1 year pre-Reg (tonnes)	Imports 1 year post-Reg (tonnes)	% change	Import 2 years pre-Reg (tonnes)	Imports 2 years post-Reg (tonnes)	% change	Imports 1 year pre-yellow card (tonnes)	Imports 1 year post-yellow card (tonnes)	% change	Imports 2 years pre-yellow card (tonnes)	Imports 2 years post-yellow card (tonnes)	% change
0303	EU-28	**665**	**2350**	*253*	**673**	**5241**	*679*	**3671**	**5785**	*58*	6657	7303	*10*
	France	0	0	-	0	94	-	**0**	**401**	-	**94**	**674**	*616*
	Italy	0	0	-	0	0	-	**0**	**809**	-	**0**	**809**	-
	Portugal	0	0	-	0	0	-	**0**	**460**	-	**0**	**590**	-
	Spain	**665**	**2350**	*253*	**673**	**5147**	*665*	3671	4115	*12*	**6563**	**5229**	*-20*
0306	EU-28	**1074**	**0**	*-100*	**1712**	**114**	*-93*	**230**	**321**	*40*	**251**	**516**	*106*
	France	**101**	**0**	*-100*	**261**	**42**	*-84*	42	44	*5*	63	78	*23*
	Spain	**973**	**0**	*-100*	**1451**	**72**	*-95*	**188**	**132**	*-30*	188	213	*13*
	UK	0	0	-	0	0	-	**0**	**118**	-	**0**	**199**	-

Notes:
Figures in bold indicate fluctuations of ±20% pre- and post-1 January 2010/carding decision(s) where annual imports of the commodity concerned to the individual MS exceeded 100 tonnes (see Methodology for further discussion of thresholds).

GHANA

Highlights:

- Annual EU imports of seafood declined from 2010, with lows in 2013 and 2014, during the period of the yellow card.
- Apparent impacts of the IUU Regulation on tuna exports to the EU.
- Imports of frozen tuna reported by **Spain** declined to zero around six months prior to the yellow card in November 2013. Imports of frozen tuna reported by **Italy** increased just prior to and following the yellow card.
- Imports of molluscs reported by **Italy** increased after the Regulation came into force, while **Portugal** reported increased imports following the yellow card.
- Fluctuations in imports of prepared and preserved tuna were reported by different MS: (i) imports to **Germany** declined to zero from April 2012; (ii) imports to **Italy** began to increase in July 2012 and following the yellow card; (iii) imports to the **Netherlands** increased from 2011 onwards.

Background

Ghana was pre-identified (yellow-carded) by the European Commission in November 2013[47]. The Commission Decision cites Ghana's failure to discharge its obligations as flag State to control the activities of its flagged vessels, and as coastal State to control activities within its waters. The Decision also cites Ghana's inability to prevent products of IUU fishing from entering its markets and processing industries. The pre-identification decision was lifted in October 2015[48].

While the IUU Regulation does not entail trade sanctions or other measures in the case of a yellow card, Spain implemented a policy of strict controls on seafood products from Ghanaian-flagged vessels during this period[49]. Other MS, including the Netherlands and the UK, took steps to reject or suspend consignments of tuna from Ghana in 2013 due to illegal fishing concerns[50].

In 2013, Ghana was also identified as having been engaged in IUU fishing in a decision of the US government[51]. In its Report to Congress, the US National Marine Fisheries Service (NMFS) noted Ghana's failure to manage its fishing vessels consistent with conservation and management measures (CMMs) adopted by the International Commission for the Conservation of Atlantic Tunas (ICCAT)[52]. NMFS issued Ghana with a positive certification in 2015[53].

Vessels flagged to Ghana fish primarily in the Ghanaian EEZ, but also in the EEZs of Togo and Liberia, and high seas areas of the Eastern Central Atlantic Ocean[54].

In 2015, a total of 140 industrial vessels were licensed to fish in the Ghanaian EEZ, including 44 tuna vessels. Eighteen of these tuna vessels were foreign, including 13 registered to the EU (France and Spain), with the rest from Belize, Cape Verde and Curaçao. Total reported tuna catch from all industrial vessels (purse seiners and pole and line vessels) was 76,844 tonnes in 2014 (67% skipjack, 25% yellowfin, 6% bigeye and 3% other)[55].

Ghana exports high value fish including frozen and canned tuna loins. There are two tuna canneries in Ghana, the largest of which produces around 40,000 to 45,000 tonnes per year. A substantial proportion of products are exported to the EU, mainly to the UK, Germany and Italy[56].

Prior to 2008, Ghana benefited from EU trade preferences secured for all African, Caribbean and Pacific (ACP) countries under the Lomé Conventions and, subsequently, the ACP-EU Partnership Agreement signed in Cotonou on 23 June 2000[57].

47 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013D1127(02)
48 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52015XC1002(01)
49 Hosch, Gilles. 2016. *Trade Measures to Combat IUU Fishing: Comparative Analysis of Unilateral and Multilateral Approaches.*
50 In 2013, the Netherlands refused 47 CCs for the import of seafood products validated by Ghana as flag State (Report on implementation of the IUU Regulation submitted by the Netherlands for 2012/13). See also: https://stopillegalfishing.com/press-links/tuna-imports-held-at-uk-ports-following-warnings-of-illegal-fishing/ and https://houseofocean.org/2014/06/05/ghana-responds-to-new-eu-warning-over-illegal-fishing/.
51 Once the Fisheries Service of the National Oceanic and Atmospheric Administration (NOAA) identifies a third country as having vessels reported to be engaged in IUU fishing, it consults with each nation to encourage action to address these activities and improve fisheries management and enforcement practices. Nations that take action to address identified issues within the stipulated two-year period receive a positive certification from NOAA Fisheries. Where a nation fails to take sufficient action to address the IUU fishing activities that formed the basis for its original identification, NOAA Fisheries will issue the country with a negative certification, meaning it will be subject to prohibitions on fisheries product imports into the US and denial of port privileges for its fishing vessels.
See: http://www.nmfs.noaa.gov/ia/slider_stories/2013/01/msra_2013_reportb.html
52 http://www.nmfs.noaa.gov/ia/iuu/msra_page/2013_biennial_report_to_congress__jan_11__2013__final.pdf
53 http://www.nmfs.noaa.gov/ia/iuu/msra_page/2015noaareptcongress.pdf
54 Sea Around Us. Catches by High Seas by the fleets of Ghana:
http://www.seaaroundus.org/data/#/fishing-entity/67?chart=catch-chart&dimension=highseas&measure=tonnage&limit=10. Accessed 15 June 2017.
55 NFDS, COFREPECHE, MRAG and POSEIDON (2016). *Ex Ante Evaluation of a Sustainable Fisheries Partnership Agreement and Protocol between the European Union and the Republic of Ghana (Framework contract MARE/2011/01 – Lot 3, specific contract 18).* Brussels, 112 p. https://ec.europa.eu/fisheries/ex-ante-evaluation-sustainable-fisheries-partnership-agreement-and-protocol-between-european-union_en
56 Ibid.
57 https://ec.europa.eu/europeaid/regions/african-caribbean-and-pacific-acp-region/cotonou-agreement_en

Since January 2008, this has been superseded by an interim EPA between Ghana and the EU, which provides Ghana's exports with duty-free and quota-free access to the EU market[58]. In contrast, under the EU's standard scheme for developing countries (GSP)[59], exports of prepared skipjack and tuna to the EU would be subject to tariff rates of 20.5%[60]. Pending the adoption of a regional EPA with West Africa, a 'stepping stone' EPA between Ghana and the EU entered into provisional application on 15 December 2016. The signature process for the regional EPA is currently ongoing[61].

Analysis of import data

The main seafood commodities imported by the EU MS from Ghana are prepared yellowfin tuna and skipjack, frozen yellowfin tuna and skipjack, and frozen molluscs (cuttlefish, octopus and squid)[62]. During the period 2005–2009, Ghana exported around 41,300 tonnes of seafood to the EU annually, according to importer reported data in Eurostat (Figure 1b). Exports averaged 35,650 tonnes annually during the period 2010–2012, before declining to 28,380 tonnes on average in 2013 and 2014. Exports rose again to pre-2010 levels in 2015 and 2016. The value of seafood exports to the EU has increased steadily since 2005, peaking at EUR 188.3 million in 2015 (Figure 2b). An overview of fluctuations in MS imports of seafood from Ghana following the entry into force of the EU IUU Regulation and carding decisions is provided in Table B.

(i) Frozen fish (0303)

The analysis of monthly EU imports of seafood from Ghana revealed fluctuations in imports of frozen fish (0303) following the entry into force of the IUU Regulation in January 2010, and the decision to pre-identify Ghana in November 2013 (Figures 3b-6b). Notable trends were observed for the following MS:

- Imports to Italy increased by 426% in the two years following the yellow card (Nov 2013–Oct 2015), compared to the two-year period preceding the yellow card (Figure 4b). Nearly all imports during the period 2005-2016 were of yellowfin tuna (98%).
- Portugal reported a decline in imports of frozen fish from Ghana, following a peak of 2100 tonnes in February 2010. Imports declined by 60% in the two-year period 2010–11 compared to imports in 2008–2009 (Figure 5b). During the period 2005–2016, the key commodities imported were skipjack (46%), dogfish and other sharks (26%) and yellowfin tuna (21%).
- Imports to Spain declined after January 2010, with imports in 2010–2011 representing a decline of 58% compared to 2008–2009 levels (Figure 6b). Imports continued to decline to zero around six months prior to the yellow card. During the period 2005–2016, the key commodities imported were yellowfin tuna (47%), skipjack (42%) and bigeye tuna (8%).

(ii) Molluscs (0307)

Imports of molluscs (cuttlefish and squid, octopus) increased after the Regulation came into force, by 50% in 2010–2011 compared to 2008–2009 (Figure 7b). The analysis also identified fluctuations in imports of molluscs (cuttlefish and squid, also octopus) to the following MS:

- Imports reported by Italy increased by 191% in the period 2010–2011 compared to 2008–2009, before declining gradually after the yellow card (Figure 8b).
- Imports reported by Portugal began in 2008, remaining relatively constant up to the yellow card before increasing by 220% in the two years following the yellow card (Figure 9b).
- Imports reported by Spain increased by 29% in the period 2010–2011 compared to 2008–2009, increasing again in the year following the yellow card (by 61%) (Figure 10b).

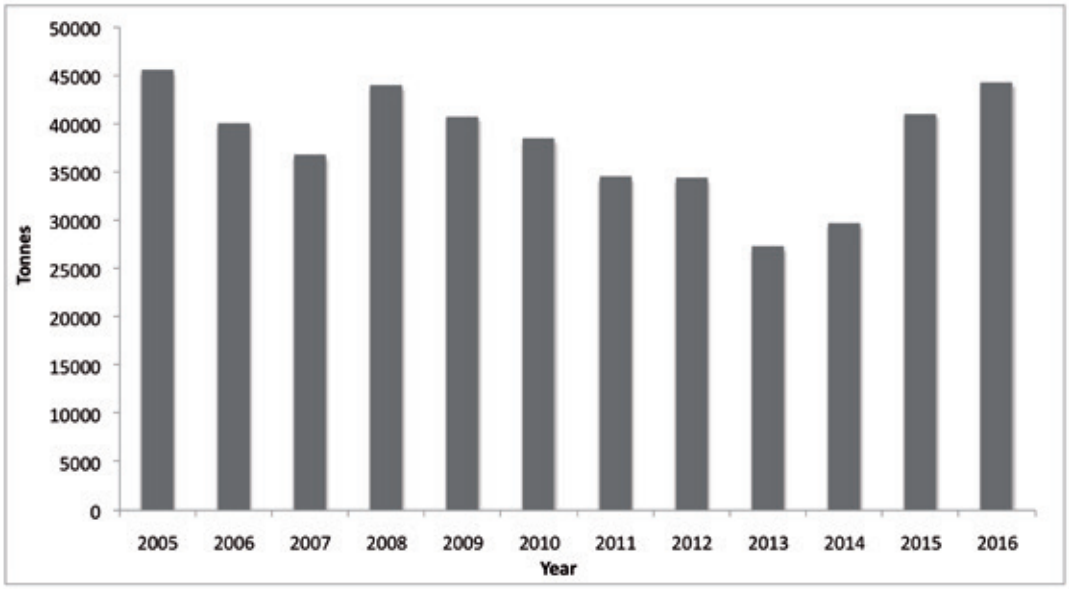
(iii) Prepared and preserved fish (1604)

Notable trends were also observed for imports of prepared and preserved fish (heading 1604), the bulk of which concerned tuna (95% approx.)[63]. At the EU level, imports did not fluctuate by more than ±6% in the period following the entry into force of the IUU Regulation or the yellow carding decision (Figure 11b). However, in the case of the following MS:

- Imports reported by Germany decreased to zero in April 2012, the year prior to the yellow card, before recommencing again in July 2015 (Figure 12b).
- Imports reported by Italy began to increase in June 2012, the year prior to the yellow card. Imports in the two-year period following the yellow card represented an increase of 63% compared to the two years prior to carding (Figure 13b).
- Imports to the Netherlands increased by 173% in 2010–2011 compared to 2008–2009, before decreasing by 36% in the two years following the yellow card (Figure 14b).

58 http://trade.ec.europa.eu/doclib/docs/2017/february/tradoc_155314.pdf
59 The EU Generalised Scheme of Preferences (GSP) provides developing countries with preferential access to the EU market (lower or zero tariffs on exports to the EU). The legal framework is contained in Regulation (EU) No 978/2012 of the European Parliament and the Council of 25 October 2012 on applying a scheme of generalised tariff preferences: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02012R0978-20170101&from=EN
60 https://eeas.europa.eu/sites/eeas/files/epa-ghana-brochurejune2016.pdf
61 http://trade.ec.europa.eu/doclib/docs/2009/september/tradoc_144912.pdf
62 Eurostat.
63 The remaining imports were reported to general prepared and preserved fish categories.

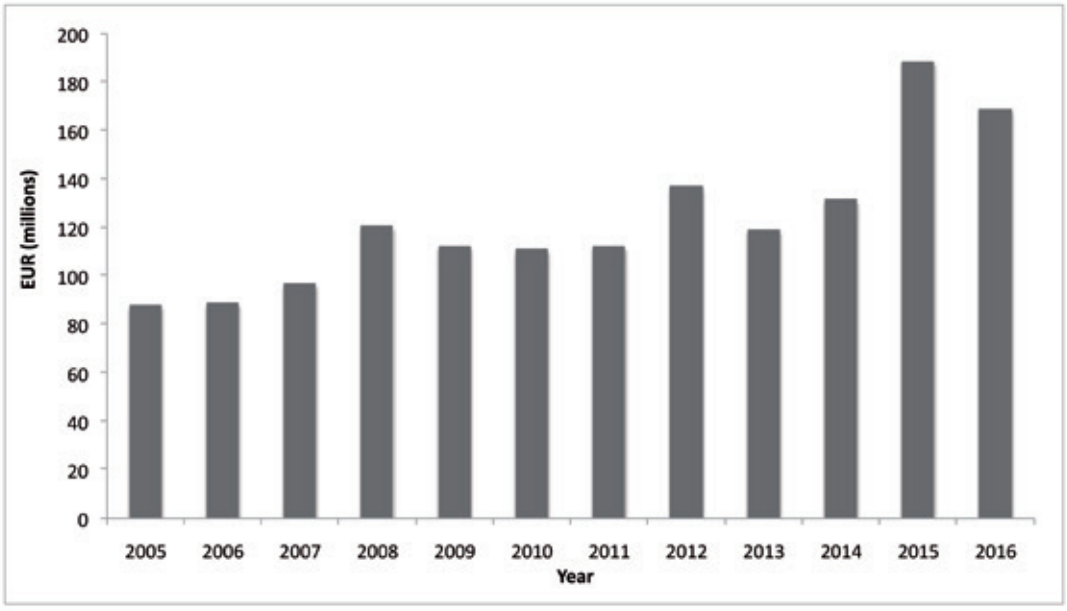
Figure 1b: Estimated volume of seafood* imports from Ghana reported by the EU-28 (2005–2016)



Source: Eurostat

*Estimated volume of products falling within the scope of the IUU Regulation. Calculated based on the methodology set out in DG MARE (2014): http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

Figure 2b: Estimated value of seafood* imports from Ghana reported by the EU-28 (2005–2016)



Source: Eurostat

*Estimated value of products falling within the scope of the IUU Regulation. Calculated based on the methodology set out in DG MARE (2014): http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

Figure 3b: Monthly imports of frozen fish (0303) from Ghana reported by the EU 28

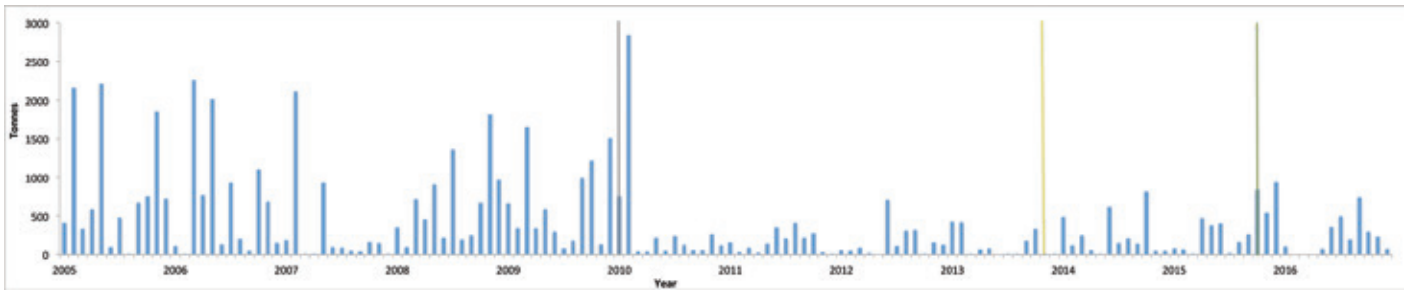


Figure 4b: Monthly imports of frozen fish (0303) from Ghana reported by Italy

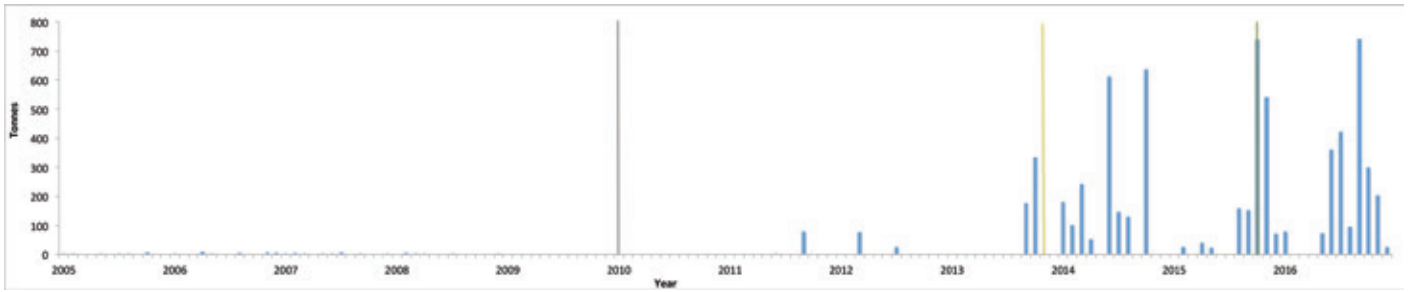


Figure 5b: Monthly imports of frozen fish (0303) from Ghana reported by Portugal

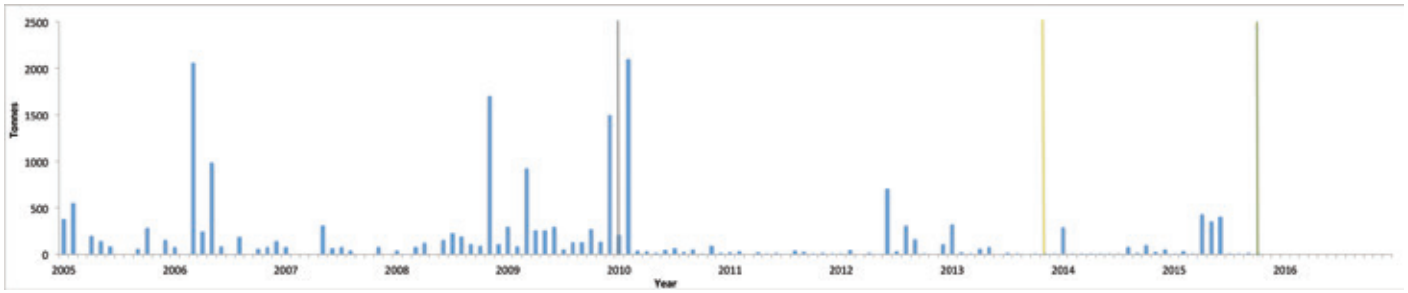
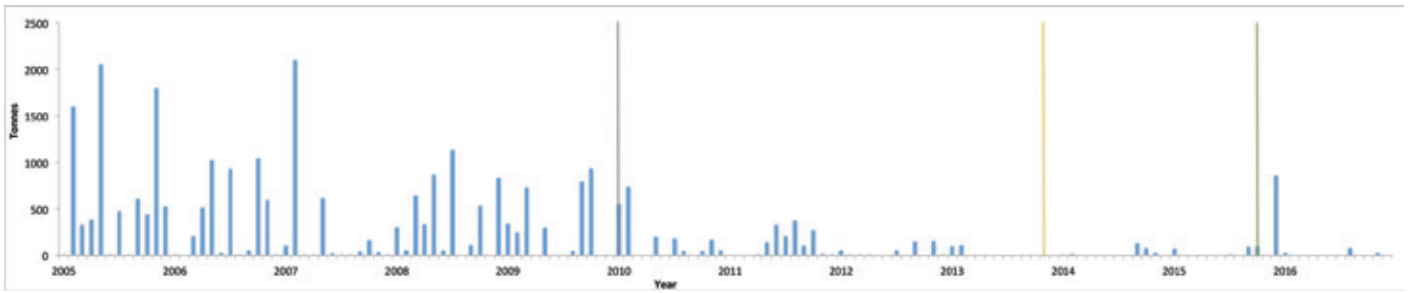


Figure 6b: Monthly imports of frozen fish (0303) from Ghana reported by Spain



Note: The entry into force of the IUU Regulation and the dates of the carding decisions are marked as vertical coloured lines (grey, yellow and green).

Figure 7b: Monthly imports of molluscs (0307) from Ghana reported by the EU 28

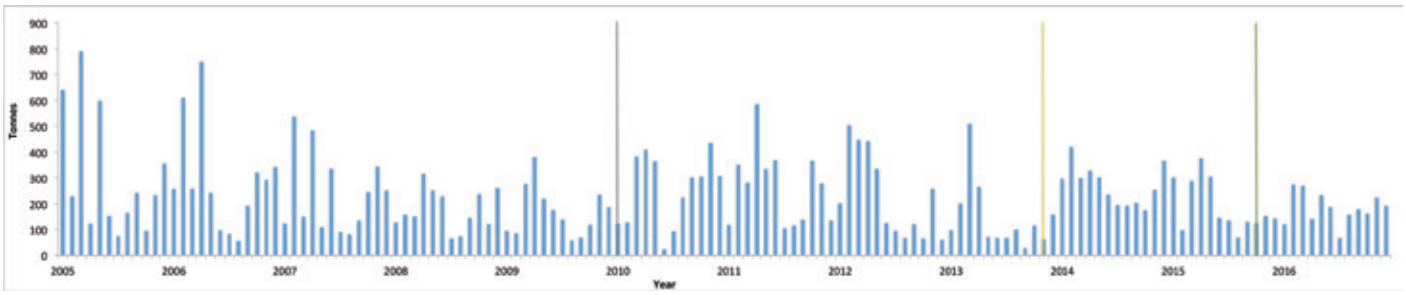


Figure 8b: Monthly imports of molluscs (0307) from Ghana reported by Italy

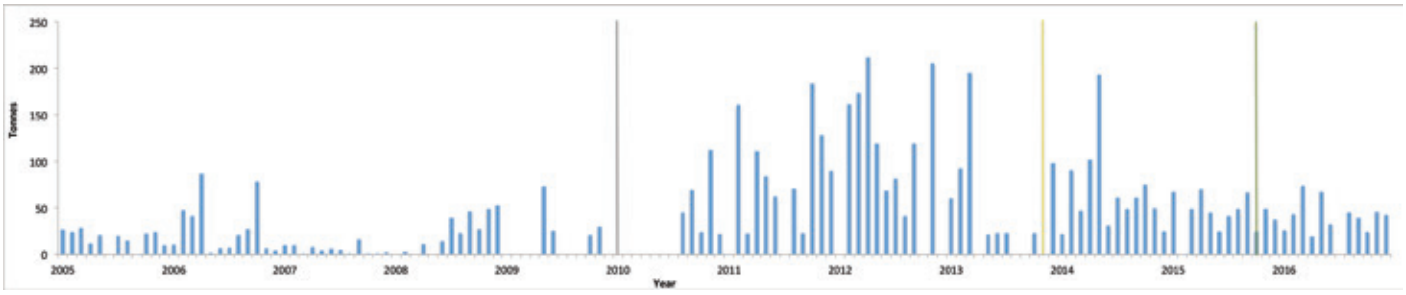


Figure 9b: Monthly imports of molluscs (0307) from Ghana reported by Portugal

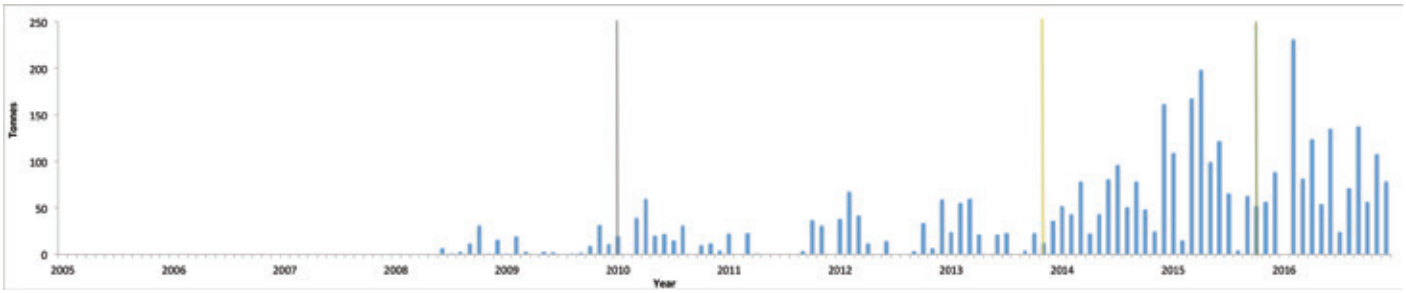


Figure 10b: Monthly imports of molluscs (0307) from Ghana reported by Spain

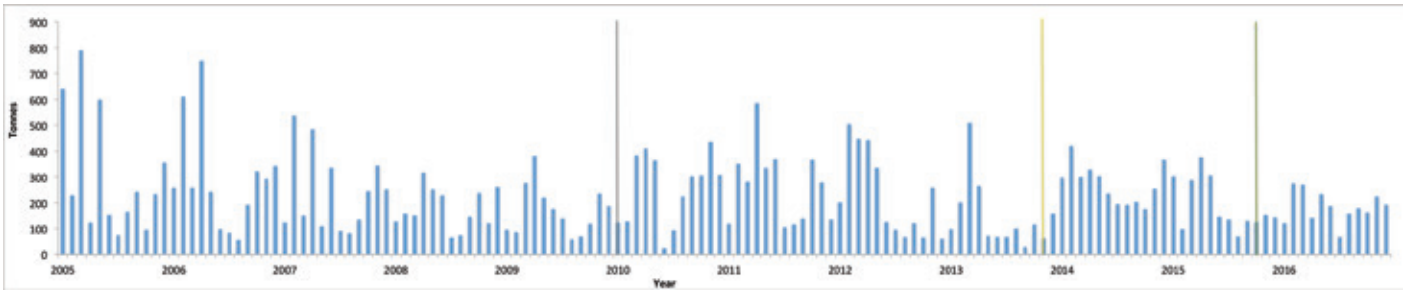


Figure 11b: Monthly imports of prepared and preserved fish (1604) from Ghana reported by the EU-28

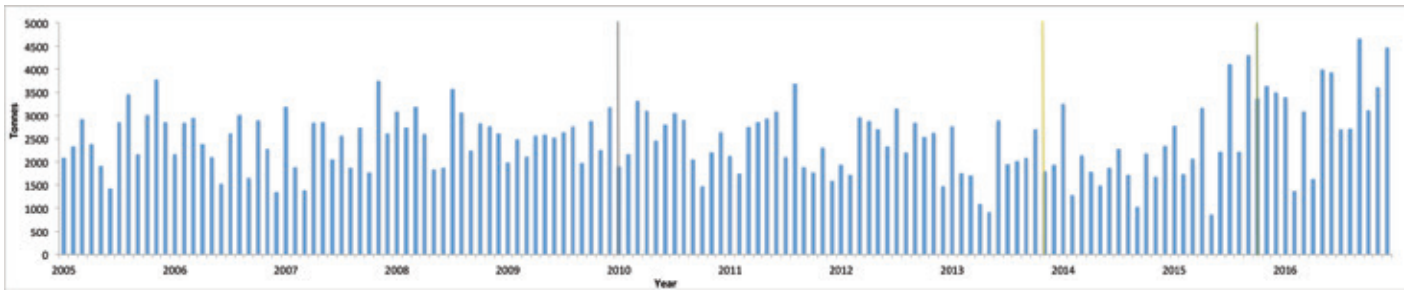


Figure 12b: Monthly imports of prepared and preserved fish (1604) from Ghana reported by Germany

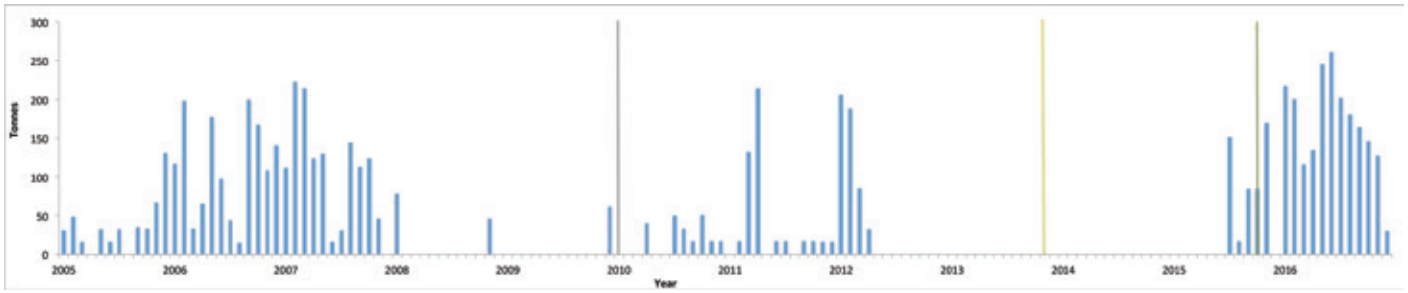


Figure 13b: Monthly imports of prepared and preserved fish (1604) from Ghana reported by Italy

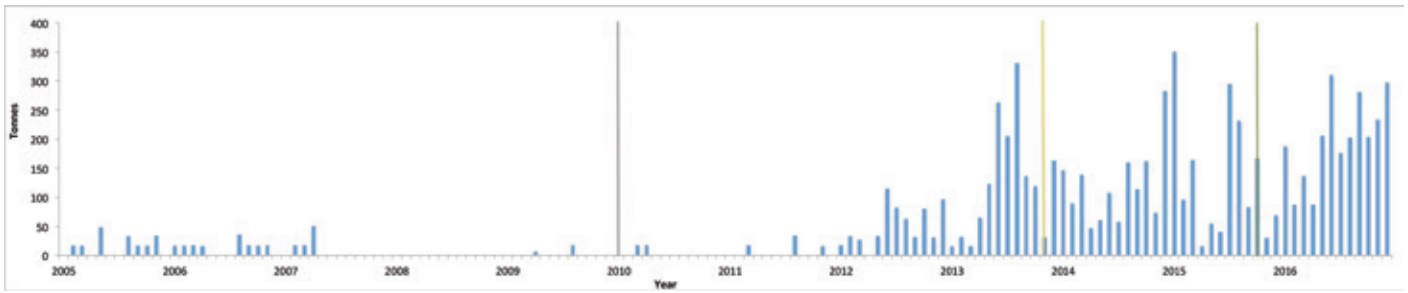


Figure 14b: Monthly imports of prepared and preserved fish (1604) from Ghana reported by the Netherlands

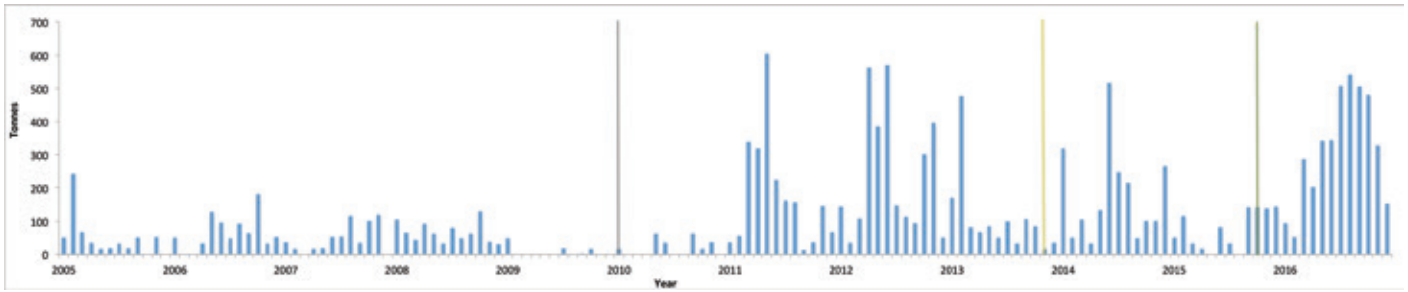


Table B: Fluctuations in member state imports of seafood from Ghana following entry into force of the EU IUU Regulation, and carding decisions

Commodity	Member state	Imports 1 year pre-Reg (tonnes)	Imports 1 year post-Reg (tonnes)	% change	Imports 2 years pre-Reg (tonnes)	Imports 2 years post-Reg (tonnes)	% change	Imports 1 year pre-yellow card (tonnes)	Imports 1 year post-yellow card (tonnes)	% change	Imports 2 years pre-yellow card (tonnes)	Imports 2 years post-yellow card (tonnes)	% change
0302	EU-28	**202**	**24**	*-88*	**701**	**37**	*-95*	0	0	-	3	0	*-100*
	Greece	42	8	*-81*	**390**	**9**	*-98*	0	0	-	0	0	-
0303	EU-28	**7992**	**4784**	*-40*	**15991**	**6729**	*-58*	**1802**	**2839**	*57*	**3507**	**5602**	*60*
	Belgium	**213**	**0**	*-100*	**490**	**0**	*-100*	0	0	-	0	0	-
	France	**0**	**100**	-	**0**	**325**	-	**305**	**2**	*-99*	**316**	**2**	*-99*
	Italy	0	0	-	6	81	*1183*	**512**	**2100**	*310*	**615**	**3239**	*426*
	Portugal	**4358**	**2702**	*-38*	**7184**	**2882**	*-60*	621	510	*-18*	1929	1840	*-5*
	Spain	**3405**	**1981**	*-42*	**8267**	**3434**	*-58*	**366**	**227**	*-38*	**648**	**521**	*-20*
0304	EU-28	**376**	**236**	*-30*	**921**	**594**	*-36*	**223**	**273**	*23*	**367**	**719**	*96*
	Netherlands	86	0	*-100*	**223**	**0**	*-100*	0	0	-	0	0	-
	Portugal	**45**	**246**	*444*	**82**	**550**	*571*	222	201	*-9*	356	404	*14*
	UK	**195**	**0**	*-100*	**460**	**0**	*-100*	0	0	-	2	0	*-100*
0307	EU-28	**2046**	**3103**	*52*	**4182**	**6289**	*50*	**1844**	**2869**	*56*	4665	5466	*17*
	Greece	**210**	**301**	*43*	**383**	**591**	*54*	134	136	*2*	**340**	**198**	*-42*
	Italy	**149**	**273**	*83*	**415**	**1209**	*191*	**643**	**830**	*29*	**1838**	**1343**	*-27*
	Portugal	**81**	**231**	*187*	**149**	**348**	*134*	**297**	**641**	*116*	**538**	**1723**	*220*
	Spain	**1597**	**2291**	*44*	**3204**	**4129**	*29*	**765**	**1231**	*61*	1939	2169	*12*
1604	EU-28	29959	30105	*0*	62406	58968	*-6*	24006	22779	*-5*	53175	53633	*1*
	Belgium	**727**	**462**	*-36*	**840**	**490**	*-42*	65	44	*-32*	**501**	**651**	*30*
	Denmark	**243**	**124**	*-49*	**456**	**280**	*-39*	**153**	**0**	*-100*	**378**	**0**	*-100*
	France	9089	10236	*13*	**17115**	**20935**	*22*	7254	8654	*19*	**16342**	**19591**	*20*
	Germany	**62**	**228**	*268*	**187**	**693**	*271*	0	0	-	**546**	**337**	*-38*
	Ireland	33	0	*-100*	93	0	*-100*	**115**	**0**	*-100*	**115**	**0**	*-100*
	Italy	23	34	*48*	23	101	*332*	1433	1279	*-11*	**1929**	**3135**	*63*
	Netherlands	**83**	**231**	*178*	**875**	**2390**	*173*	1703	1822	*7*	**4380**	**2804**	*-36*
	Portugal	**199**	**155**	*-22*	**323**	**468**	*45*	**150**	**48**	*-68*	**511**	**360**	*-29*
	UK	19309	18587	*-4*	**41907**	**33511**	*-20*	13100	10828	*-17*	28406	26650	*-6*

Notes:
Figures in bold indicate fluctuations of ±20% pre- and post-1 January 2010/carding decision(s) where annual imports of the commodity concerned to the individual MS exceeded 100 tonnes (see Methodology for further discussion of thresholds).

SOUTH KOREA

Highlights:

- Annual EU imports of seafood remained relatively constant after 2010, before declining to a low in 2013, the year of the yellow card.
- Imports of frozen fish, primarily swordfish, reported by **Portugal** increased following the yellow card.
- Imports of tuna fillets/meat reported by **France** and **Italy** increased following the yellow card, appearing to coincide with declines in frozen, whole tuna imports.
- There was an overall decline in imports of molluscs after 2010, but with random peaks in trade/trade anomalies reported by **Croatia** and the **Netherlands** following the yellow card.
- Imports of preparations of surimi reported by **Spain** declined to zero after mid-2012, coinciding with an increase in imports reported by **Portugal**. This trend continued to end 2016.

Background

Korea was pre-identified (yellow-carded) by the European Commission in November 2013[64] for failing to effectively fulfil its obligations as a flag State under international law. The pre-identification decision was lifted in April 2015[65].

In 2013, Korea was also identified as having been engaged in IUU fishing by the US government. The 2013 NMFS Report to Congress cited Korea's failure to apply sufficient sanctions to deter its vessels from fishing in violation of CMMs adopted by the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR)[66]. NMFS issued Korea with a positive certification in 2015[67].

A Free Trade Agreement (FTA) was agreed between the EU and Korea in July 2011, eliminating import duties for industrial, fishery and agricultural products in a phased approach. The majority of import duties were removed in 2011, with longer transitional periods for certain highly sensitive products[68]. According to the European Commission, EU imports of fully and partially liberalized goods from Korea increased by 35% and 64%, respectively, in the fourth year of the FTA's implementation compared with the year before its entry into force. The EU is Korea's third largest export market for goods.

Korea's distant water fishing fleet operates in all of the world's oceans, including the Western and Eastern Central Pacific, Southwest Atlantic and Antarctic. Its vessels fish in the EEZs of West African countries, including Guinea-Bissau, Mauritania and Morocco, and in the waters of Japan and the Russian Far East[69].

Analysis of import data

The major seafood commodities imported by the EU MS from Korea during the period 2005–2016 were tuna (yellowfin and skipjack for further processing), frozen molluscs (squid and cuttlefish), frozen swordfish, and preparations of surimi[70].

During the period 2005–2009, Korea exported around 27,700 tonnes of seafood to the EU annually, according to importer reported data in Eurostat (Figure 1c). Exports remained relatively constant in the years following the entry into force of the IUU Regulation (average of 26,150 tonnes annually, 2010–2012) before declining to a low of 15,230 tonnes in 2013. Exports averaged 20,300 tonnes annually between 2014–2016. The value of seafood exports to the EU was relatively constant during the period 2007–2012, fluctuating at around EUR 69.6 million per year, but has increased steadily since 2014, peaking at EUR 115.4 million in 2016 (Figure 2c).

An overview of fluctuations in MS imports of seafood from Korea following the entry into force of the EU IUU Regulation and carding decisions is provided in Table C.

64 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013D1127(02)
65 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52015XC0429(01)
66 http://www.nmfs.noaa.gov/ia/iuu/msra_page/2013_biennial_report_to_congress__jan_11__2013__final.pdf
67 http://www.nmfs.noaa.gov/ia/iuu/msra_page/2015noaareptcongress.pdf
68 http://trade.ec.europa.eu/doclib/docs/2011/october/tradoc_148303.pdf
69 Sea Around Us. Catches by EEZ by the fleets of Korea (South): http://www.seaaroundus.org/data/#/fishing-entity/95?chart=catch-chart&dimension=eez&measure=tonnage&limit=10. Accessed 15 June 2017.
70 Eurostat.

(i) Frozen fish (0303)

The analysis of monthly imports of frozen fish from Korea revealed notable fluctuations following the November 2013 carding decision for the following MS:

- Imports to France decreased by 84% in the two years following the yellow card (Nov 2013–Oct 2015), compared to the two-year period prior to November 2013 (Figure 4c). The majority of this trade concerned tuna, with peaks in yellowfin imports prior to the yellow card. Following the yellow card, France reported an increase in imports of tuna fillets/meat (increase of 153% after 2 years – see below).
- A similar trend was reported in Italy, where imports of frozen fish decreased by 32% in the two years following the yellow card (Figure 5c). Following the yellow card, Italy reported a 1500% increase in imports of fish fillets/meat (primarily tuna) (see below).
- Imports of frozen fish to Malta increased by 198% in the year following the yellow card (Figure 6c). This was due to peaks in imports of frozen herring reported between July 2013 and October 2014. Similar peaks in frozen herring imports were reported by Croatia up to July 2013, i.e. prior to it becoming a member of the EU.
- Portugal reported an increase in imports of frozen fish from July 2014, mainly swordfish (see Figure 7c). Limited imports were reported in the years prior to the carding decision, increasing to 938 tonnes in the two years following the yellow card.

(ii) Fish fillets and other fish meat (0304)

Imports of fish fillets and other fish meat show an increasing trend after 2013 (Figure 8c). This was particularly notable for the following MS:

- As noted above, France reported an increase in imports reported under heading 0304 from Korea following the yellow card (Figure 9c), coinciding with a decline in imports under heading 0303 during the same period. Further investigation shows that the bulk of imports for both 0303 and 0304 involved tuna. Peaks in 0303 imports concerned yellowfin tuna.
- Italy also reported an increase in imports of commodities under heading 0304, primarily tuna, in the years following the yellow card (Figure 10c). Imports reported under this heading were at low levels prior to the carding decision.

(iii) Molluscs (0307)

Imports of molluscs reported by the EU declined by over 50% in the two years after the IUU Regulation entered into force. Imports then declined again by around one quarter in the two years following the yellow card (Figure 11c). Fluctuations were observed for several MS, including:

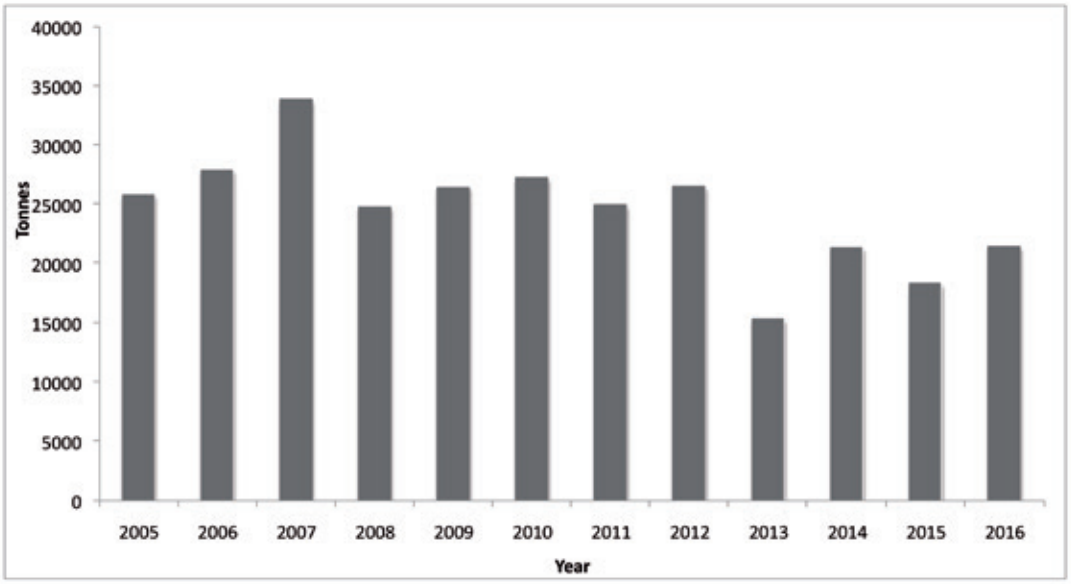
- Croatia reported an increase in imports from around 1 tonne in the period 2008–2009, to 500 tonnes in the period 2010–2011 (Figure 12c). The EU IUU Regulation has applied in Croatia since July 2013 when it became a member of the EU. Peaks were also observed around the time of the yellow card.
- Imports of molluscs reported by Italy declined after the entry into force of the IUU Regulation, and then again following the yellow card (Figure 13c). This represented a decline of 85% in the two years post-carding, compared to the prior two-year period.
- The Netherlands reported low levels of trade between January 2010 and the yellow carding decision (Figure 14c). This increased to 860 tonnes in the two years following the yellow card, from around 15 tonnes in the two years prior to the carding decision.

(iv) Prepared and preserved fish (1604)

Imports of prepared and preserved fish increased by around 20% in the year following the yellow card (Figure 15c). Notable trends were observed in imports to Spain and Portugal:

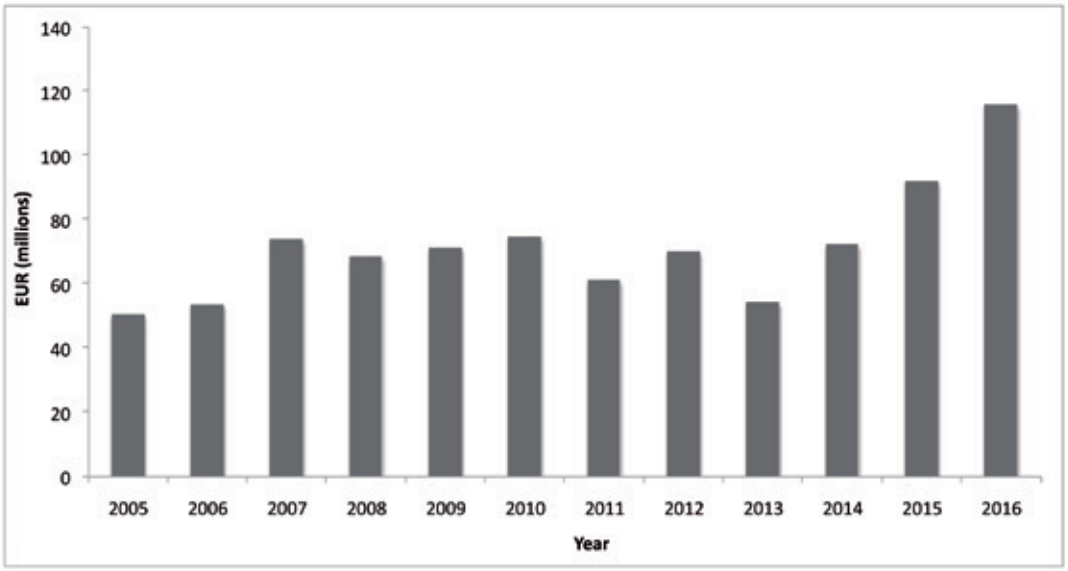
- Imports to Spain fell off after mid-2012, continuing to date (Figure 16c). This represented a 96% decline in trade in the two years following the November 2013 carding decision, compared to the previous two-year period.
- Imports to Portugal began to increase after mid-2012 and the carding decision (by 54% in the two years following the yellow card, compared to the prior two-year period) (Figure 17c).
- In the case of both MS, fluctuations are related to imports of preparations of surimi (CN8 code 1604 20 05) (Figure 18c). Looking at this commodity in isolation shows an apparent relationship between decreases in trade to Spain prior to the yellow card and increases to Portugal (see Section 2 for further discussion).

Figure 1c: Estimated volume of seafood* imports from Korea reported by the EU-28 (2005–2016)



Source: Eurostat
*Estimated volume of products falling within the scope of the IUU Regulation. Calculated based on the methodology set out in DG MARE (2014): http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

Figure 2c: Estimated value of seafood* imports from Korea reported by the EU-28 (2005–2016)



Source: Eurostat
*Estimated value of products falling within the scope of the IUU Regulation. Calculated based on the methodology set out in DG MARE (2014): http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

Figure 3c: Monthly imports of frozen fish (0303) from Korea reported by the EU-28

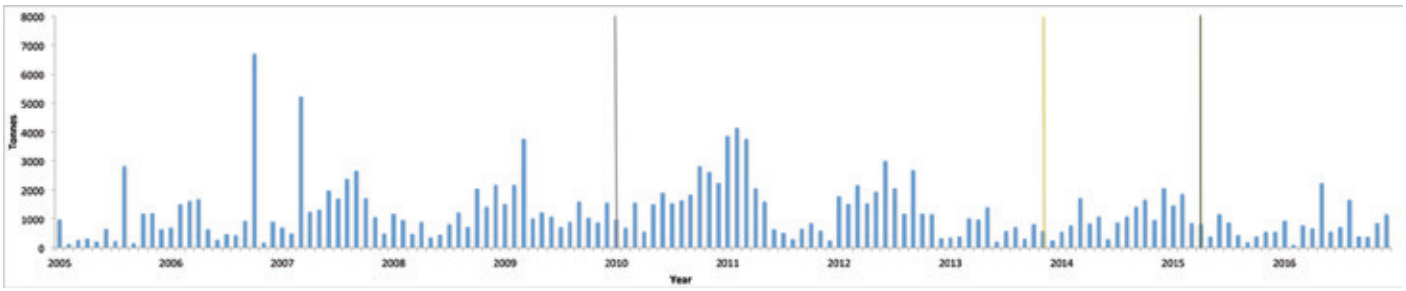


Figure 4c: Monthly imports of frozen fish (0303) from Korea reported by France

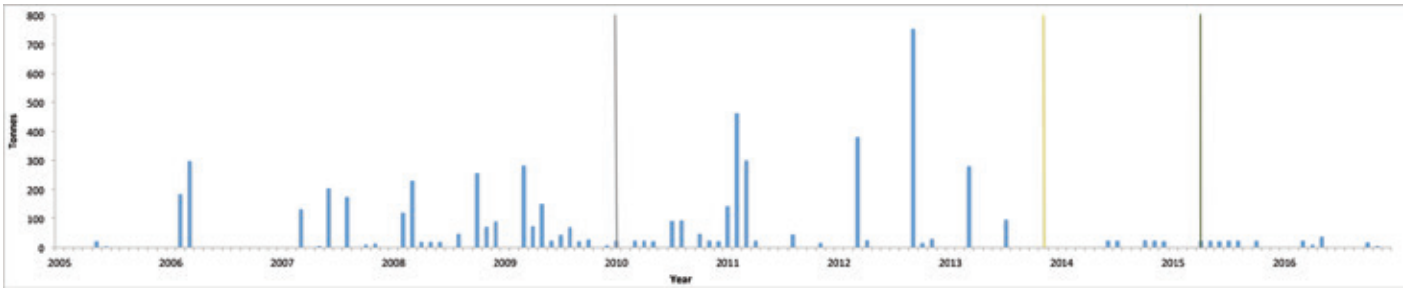


Figure 5c: Monthly imports of frozen fish (0303) from Korea reported by Italy

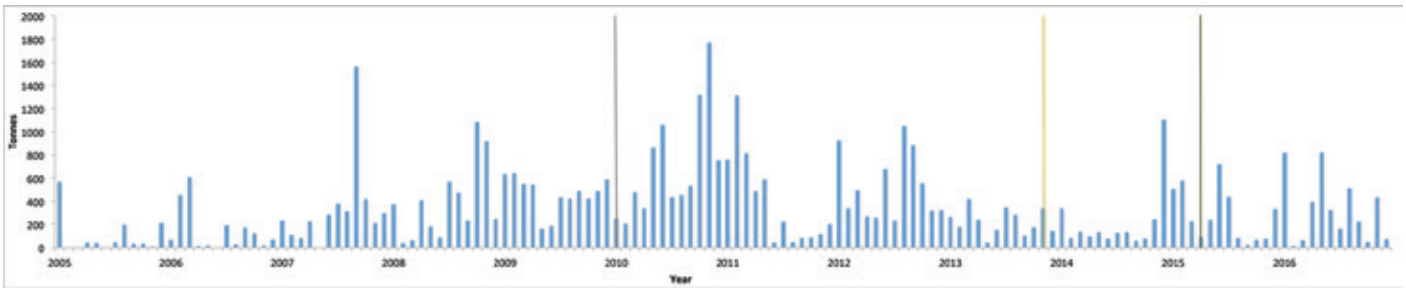
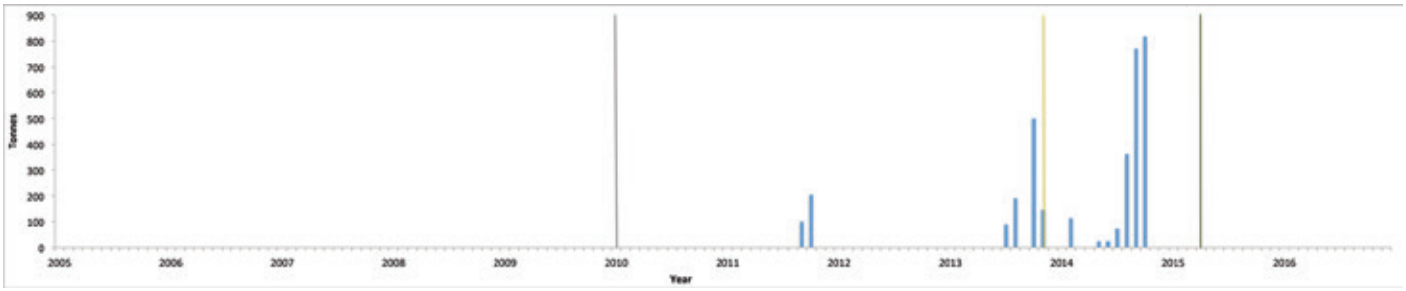


Figure 6c: Monthly imports of frozen fish (0303) from Korea reported by Malta



Note: The entry into force of the IUU Regulation and the dates of the carding decisions are marked as vertical coloured lines (grey, yellow and green).

Figure 7c: Monthly imports of frozen fish (0303) from Korea reported by Portugal

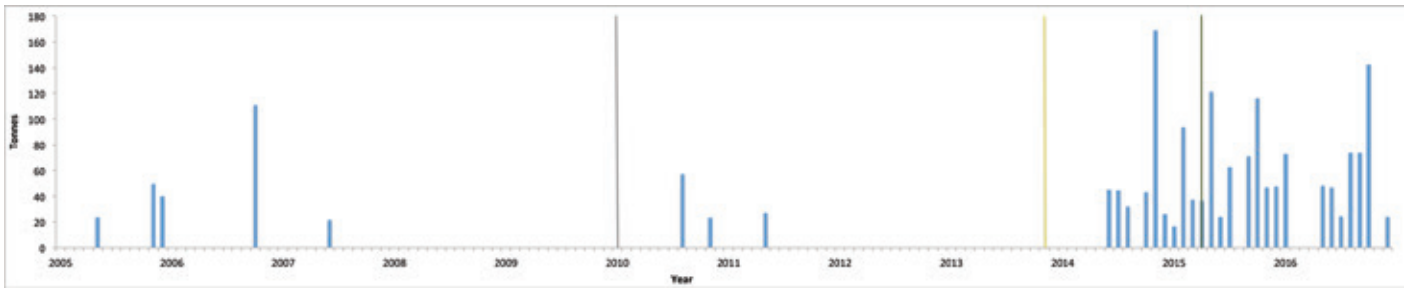


Figure 8c: Monthly imports of fish fillets and other meat (0304) from Korea reported by the EU-28

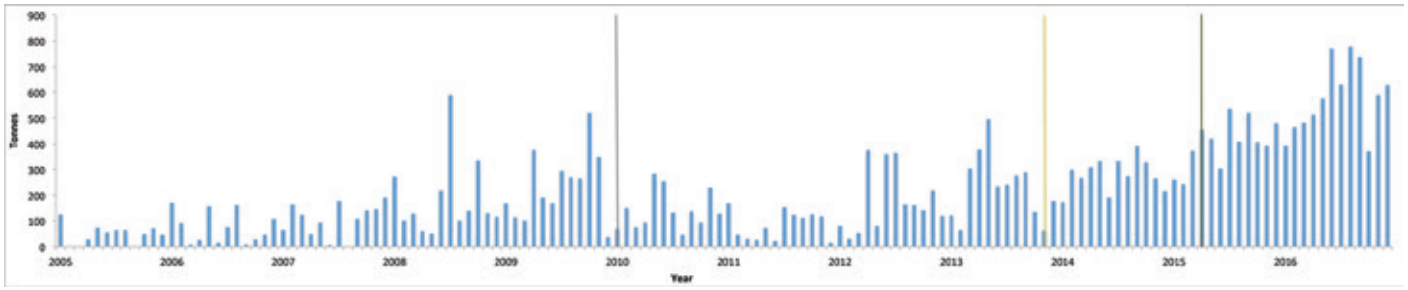


Figure 9c: Monthly imports of fish fillets and other meat (0304) from Korea reported by France

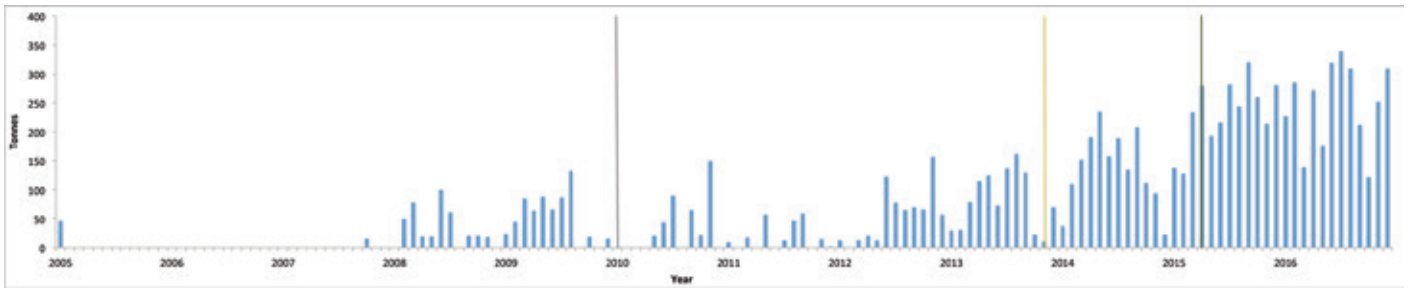


Figure 10c: Monthly imports of fish fillets and other meat (0304) from Korea reported by Italy

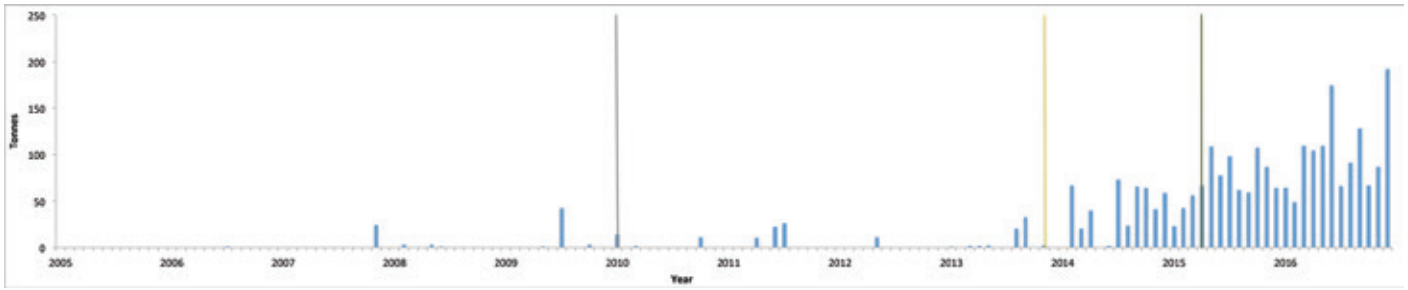


Figure 11c: Monthly imports of molluscs (0307) from Korea reported by the EU-28

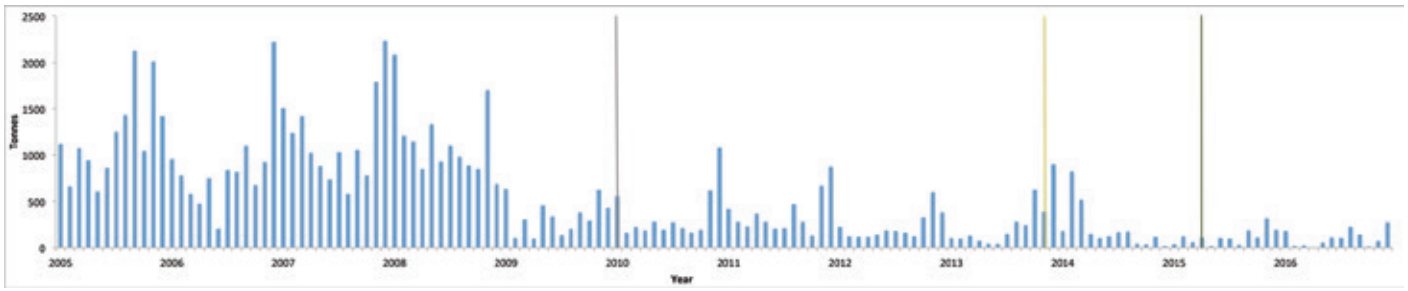


Figure 12c: Monthly imports of molluscs (0307) from Korea reported by Croatia

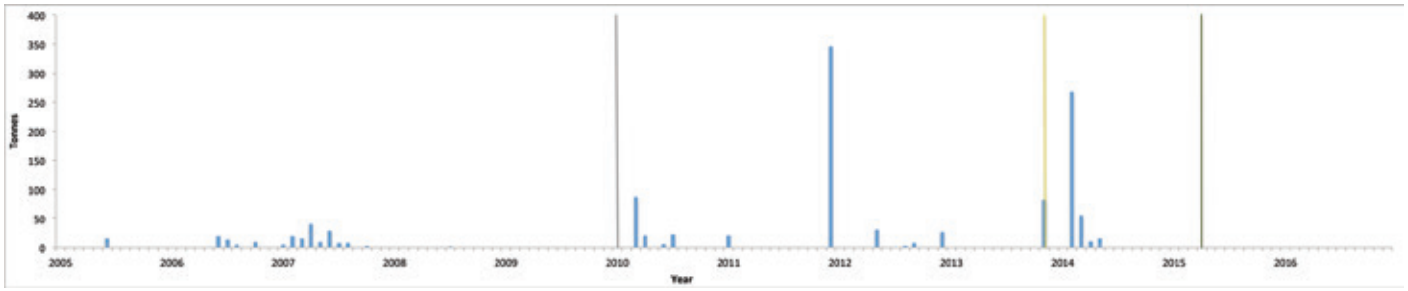


Figure 13c: Monthly imports of molluscs (0307) from Korea reported by Italy

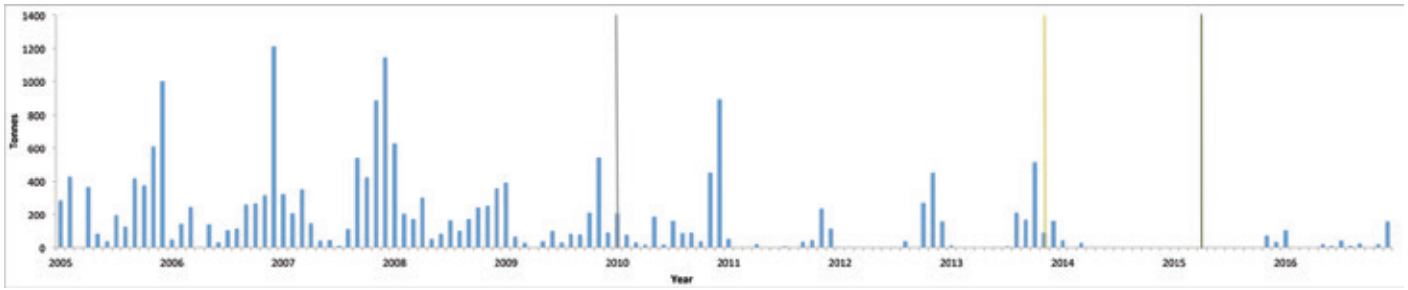


Figure 14c: Monthly imports of molluscs (0307) from Korea reported by the Netherlands

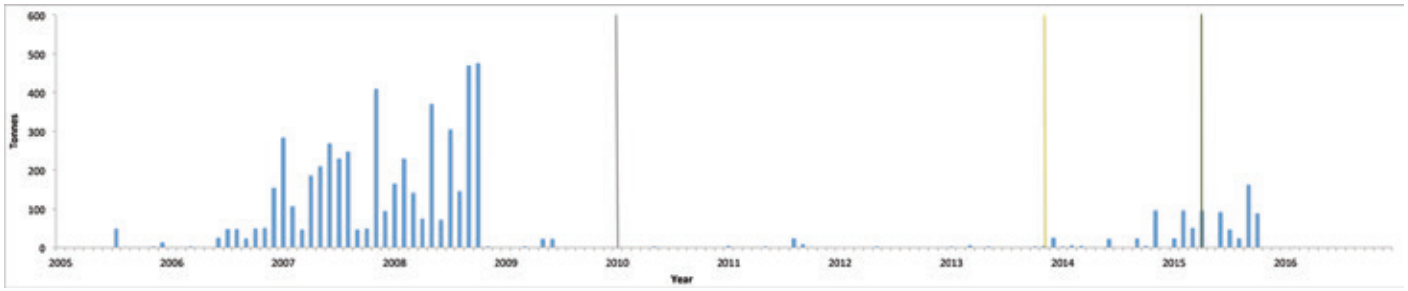


Figure 15c: Monthly imports of prepared and preserved fish (1604) from Korea reported by the EU-28

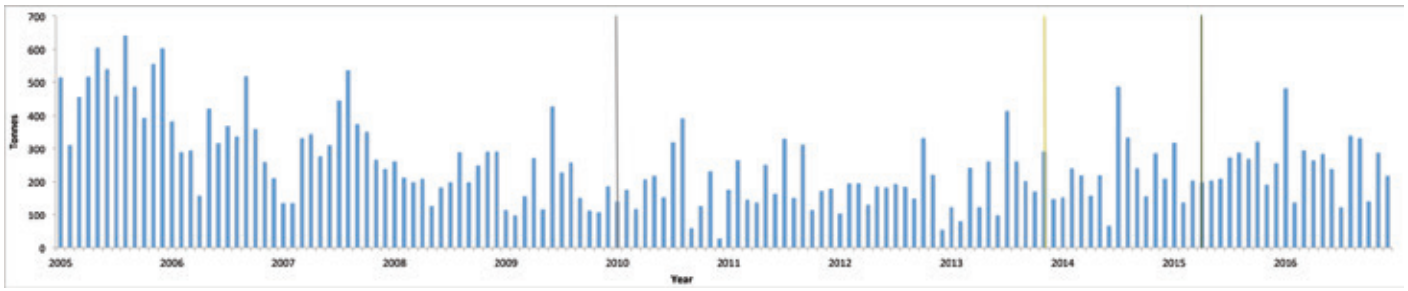


Figure 16c: Monthly imports of prepared and preserved fish (1604) from Korea reported by Spain

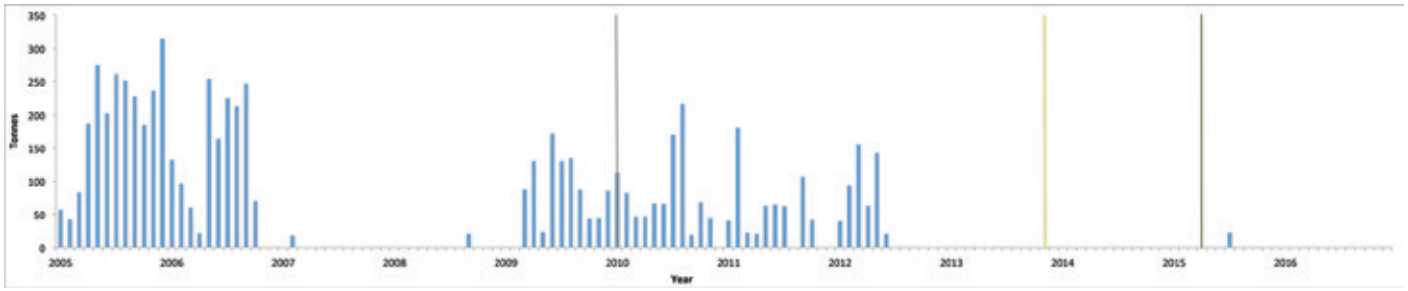


Figure 17c: Monthly imports of prepared and preserved fish (1604) from Korea reported by Portugal

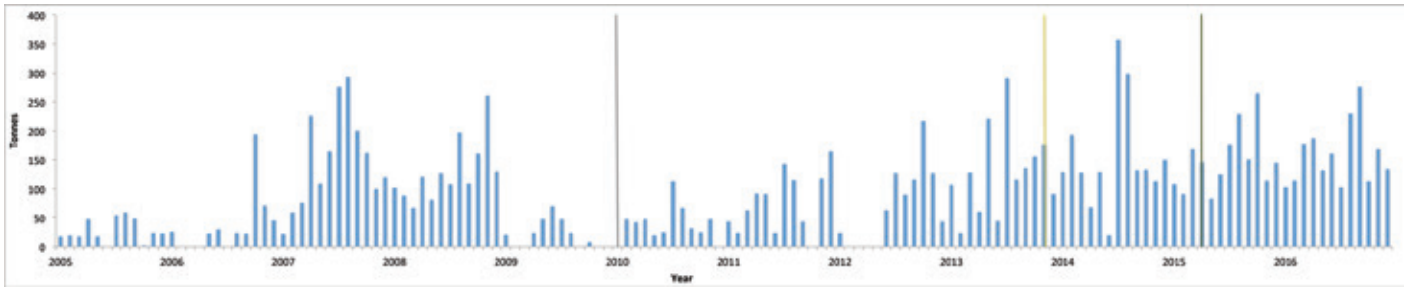
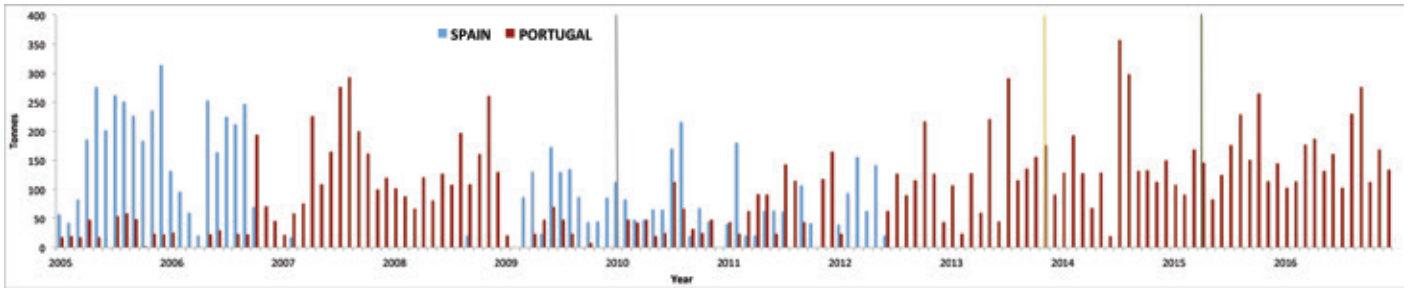


Figure 18c: Monthly imports of surimi* from Korea reported by Spain and Portugal



*Reported at CN8 level under 1604 20 05 (1994–)

Table C: Fluctuations in member state imports of seafood from Korea following entry into force of the EU IUU Regulation, and carding decisions

Commodity	Member state	Imports 1 year pre-Reg (tonnes)	Imports 1 year post-Reg (tonnes)	% change	Imports 2 years pre-Reg (tonnes)	Imports 2 years post-Reg (tonnes)	% change	Imports 1 year pre-yellow card (tonnes)	Imports 1 year post-yellow card (tonnes)	% change	Imports 2 years pre-yellow card (tonnes)	Imports 2 years post-yellow card (tonnes)	% change
0301	EU-28	**335**	**0**	*-100*	**726**	**0**	*-100*	1	0	*-100*	1	0	*-100*
	Malta	**335**	**0**	*-100*	**726**	**0**	*-100*	0	0	-	0	0	-
0303	EU-28	17428	19861	*14*	**30103**	**39050**	*30*	**8200**	**11117**	*36*	**28085**	**22555**	*-20*
	Bulgaria	**1390**	**0**	*-100*	**1438**	**0**	*-100*	0	0	-	**108**	**0**	*-100*
	Croatia	0	0	-	**0**	**628**	-	**184**	**0**	*-100*	**3035**	**0**	*-100*
	Denmark	**0**	**506**	-	**0**	**581**	-	0	0	-	0	0	-
	France	**696**	**364**	*-48*	1567	1351	*-14*	**406**	**71**	*-82*	**1594**	**251**	*-84*
	Germany	**112**	**177**	*58*	147	179	*22*	5	10	*106*	10	13	*29*
	Greece	**173**	**87**	*-50*	**376**	**127**	*-66*	**42**	**152**	*261*	42	152	*261*
	Italy	**5587**	**8471**	*52*	**10288**	**13232**	*29*	**2859**	**1742**	*-39*	**8878**	**6066**	*-32*
	Lithuania	**224**	**23**	*-90*	**489**	**175**	*-64*	**35**	**123**	*256*	35	123	*256*
	Malta	0	0	-	**0**	**305**	-	**782**	**2329**	*198*	**782**	**2329**	*198*
	Portugal	0	80	-	0	107	-	**0**	**165**	-	**0**	**938**	-
	Romania	**864**	**0**	*-100*	**864**	**125**	*-86*	0	0	-	**334**	**0**	*-100*
	Spain	**8284**	**10060**	*21*	**14603**	**22123**	*52*	**3863**	**6451**	*67*	13215	12294	*-7*
0304	EU-28	**2850**	**1692**	*-41*	**5092**	**2707**	*-47*	2878	3137	*9*	**4818**	**7544**	*57*
	Belgium	**200**	**94**	*-53*	233	207	*-11*	92	68	*-26*	**190**	**237**	*25*
	France	**625**	**391**	*-38*	**1014**	**610**	*-40*	**1116**	**1610**	*44*	**1592**	**4022**	*153*
	Germany	**612**	**23**	*-96*	**1175**	**93**	*-92*	**422**	**66**	*-84*	**1044**	**181**	*-83*
	Italy	46	27	*-43*	53	85	*60*	**59**	**358**	*508*	**70**	**1159**	*1556*
	Spain	**1048**	**672**	*-36*	**2184**	**1096**	*-50*	604	491	*-19*	1001	1193	*19*
	UK	**249**	**418**	*68*	**318**	**548**	*72*	**555**	**416**	*-25*	**890**	**541**	*-39*
0306	EU-28	734	787	*7*	1299	1164	*-10*	**103**	**191**	*86*	341	287	*-16*
	Italy	**13**	**207**	*1482*	**81**	**218**	*169*	9	25	*170*	21	25	*20*
	Spain	682	575	*-16*	**1148**	**919**	*-20*	45	96	*113*	**251**	**183**	*-27*
0307	EU-28	3993	4116	*3*	**17753**	**8533**	*-52*	**2751**	**3600**	*31*	**5982**	**4595**	*-23*
	Belgium	2	0	*-94*	**3683**	**68**	*-98*	0	0	-	45	0	*-100*
	Croatia	**0**	**136**	-	**14**	**503**	*35821*	**26**	**432**	*1535*	414	432	*4*
	Italy	**1653**	**2244**	*36*	**4371**	**2754**	*-37*	**1519**	**319**	*-79*	**2185**	**319**	*-85*
	Netherlands	50	3	*-93*	**2499**	**45**	*-98*	12	88	*620*	**15**	**863**	*5653*
	Spain	**1994**	**1459**	*-27*	**6593**	**4583**	*-30*	**971**	**2399**	*147*	2780	2399	*-14*
1604	EU-28	2220	2164	*-3*	4919	4553	*-7*	**2245**	**2704**	*20*	**4442**	**5610**	*26*
	Belgium	0	0	-	**160**	**0**	*-100*	0	0	-	0	1	-
	Germany	93	76	*-18*	170	154	*-9*	**123**	**162**	*32*	**248**	**312**	*26*
	Italy	**843**	**609**	*-28*	**1573**	**1255**	*-20*	529	529	*0*	**1040**	**1328**	*28*
	Portugal	**241**	**465**	*93*	**1792**	**1387**	*-23*	**1452**	**1854**	*28*	**2373**	**3659**	*54*
	Spain	939	939	*0*	**959**	**1542**	*61*	0	0	-	**515**	**23**	*-96*
1605	EU-28	611	625	*2*	1341	1309	*-2*	494	437	*-11*	**762**	**918**	*21*
	Belgium	**207**	**325**	*57*	**410**	**616**	*50*	201	174	*-13*	**271**	**404**	*49*
	France	**230**	**150**	*-35*	**463**	**251**	*-46*	**156**	**92**	*-41*	237	205	*-14*

Notes:
Figures in bold indicate fluctuations of ±20% pre- and post-1 January 2010/carding decision(s) where annual imports of the commodity concerned to the individual MS exceeded 100 tonnes (see Methodology for further discussion of thresholds).

PANAMA

Highlights:

- Annual EU imports of seafood declined from 2008 onwards, with a low in 2013, the year following the yellow card.
- Imports recovered in 2014, possibly due to the provisional application of the Central America-EU Association Agreement to Panama from August 2013, which liberalised access to the EU market for fish and fisheries products, or application of preferential trading arrangements under the GSP+ from February 2014.
- Imports of frozen swordfish reported by **Spain** declined abruptly following the yellow card, coinciding with a sudden increase in imports reported by **Portugal**.

Background

Panama was pre-identified (yellow-carded) by the European Commission in November 2012 for failing to effectively fulfil its obligations as flag State under international law[71]. The pre-identification decision was lifted in October 2014[72].

The US NMFS, in its 2011 and 2013 Biennial Reports to Congress, identified Panama as having fishing vessels engaged in IUU fishing activity due to violation of Resolutions of the Inter-American Tropical Tuna Commission (IATTC)[73]. Panama took corrective action with respect to the vessels concerned, and received positive certifications from NMFS in 2013 and 2015, respectively[74].

An Association Agreement governing trade relations between the Central American region[75] and the EU was agreed in June 2012. The agreement grants Central American countries immediate and fully liberalized access to European markets for exports of fish and fisheries products[76]. The trade part of the agreement was provisionally applied with respect to Panama from August 2013[77]. Panama benefited from preferential trading arrangements under the EU's Generalised Scheme of Preferences plus (GSP+) from February 2014 to the end of 2016[78].

Panama's distant water fishing fleet fishes in the high seas areas of the Southeast and Eastern Central Pacific Ocean, and the Eastern Central Atlantic, as well as in the EEZs of West African countries such as Guinea-Bissau and Guinea[79].

Analysis of import data

The major seafood commodities imported by the EU MS from Panama during the period 2005–2016 were tunas (skipjack, yellowfin and bigeye), swordfish, sharks and squid, all in frozen form[80].

During the period 2005–2009, Panama exported around 25,120 tonnes of seafood to the EU annually, according to importer reported data in Eurostat (Figure 1d). Exports began to decline in 2008, a trend that continued following the entry into force of the IUU Regulation (average of 17,690 tonnes annually, 2010–2012), hitting a low of 12,540 tonnes in 2013, the year after the yellow card. Exports then averaged 17,650 tonnes annually between 2014–2016, with a peak in 2014. The value of seafood exports to the EU has been relatively constant since the IUU Regulation entered into force, fluctuating at around EUR 29.4 million per year (Figure 2d).

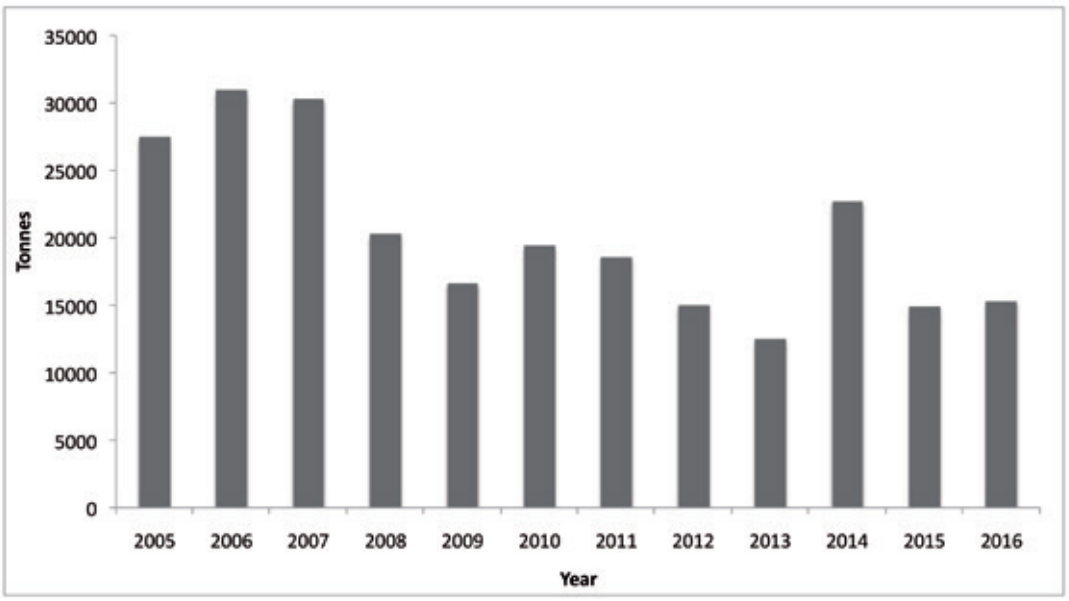
An overview of fluctuations in MS imports of seafood from Panama following the entry into force of the EU IUU Regulation and carding decisions is provided in Table D.

Imports of frozen fish (0303) from Panama reported by the EU-28 declined by 25% in the year following the yellow card (Figure 3d), primarily due to declining imports reported by Spain. Import volumes to Spain declined by 29% in the year following the yellow card (Figure 4d), while Portugal reported a 91% increase in import volumes in the same period (Figure 5d).

71 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C:2012:354:FULL
72 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014XC1015(01)
73 http://www.nmfs.noaa.gov/ia/iuu/msra_page/2013_biennial_report_to_congress__jan_11__2013__final.pdf
74 http://www.nmfs.noaa.gov/ia/iuu/msra_page/2013_biennial_report_to_congress__jan_11__2013__final.pdf and http://www.nmfs.noaa.gov/ia/iuu/msra_page/2015noaareptcongress.pdf
75 Republics of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.
76 http://www.europarl.europa.eu/meetdocs/2009_2014/documents/dcam/dv/10_2_policycentralamerica_/10_2_policycentralamerica_en.pdf
77 http://ec.europa.eu/trade/policy/countries-and-regions/regions/central-america/index_en.htm
78 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0182&qid=1399472009940&from=EN. See also: http://trade.ec.europa.eu/doclib/docs/2016/january/tradoc_154179.pdf. Panama remained in the GSP+ for a transition period, while starting to use the alternative preferences under the new FTA.
79 Sea Around Us. Catches by EEZ by the fleets of Panama: http://www.seaaroundus.org/data/#/fishing-entity/135?chart=catch-chart&dimension=eez&measure=tonnage&limit=10. Accessed 19 June 2017.
80 Eurostat.

These trends concerned two key commodity groups: frozen swordfish and frozen sharks. Declines in imports from Panama to Spain following the IUU Regulation's entry into force and the November 2012 carding decision coincided with increased imports to Portugal. For both frozen swordfish and shark, regular imports from Panama to Portugal occur for the first time in the months prior to entry into force of the IUU Regulation (Figures 6d and 7d). These trends are discussed in further detail in Section 2.

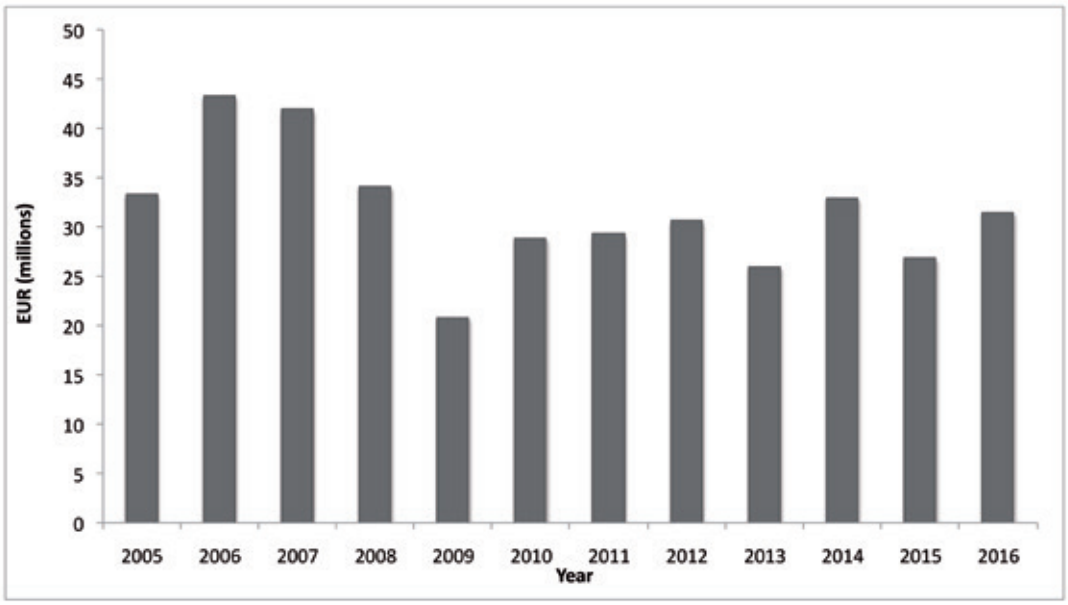
Figure 1d: Estimated volume of seafood* imports from Panama reported by the EU-28 (2005–2016)



Source: Eurostat

*Estimated volume of products falling within the scope of the IUU Regulation. Calculated based on the methodology set out in DG MARE (2014): http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

Figure 2d: Estimated value of seafood* imports from Panama reported by the EU-28 (2005–2016)



Source: Eurostat

*Estimated value of products falling within the scope of the IUU Regulation. Calculated based on the methodology set out in DG MARE (2014): http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

Figure 3d: Monthly imports of frozen fish (0303) from Panama reported by the EU-28

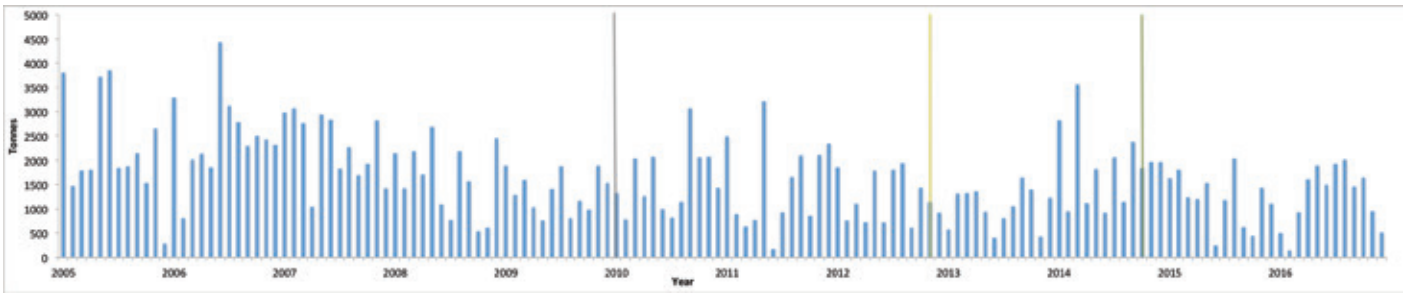


Figure 4d: Monthly imports of frozen fish (0303) from Panama reported by Spain

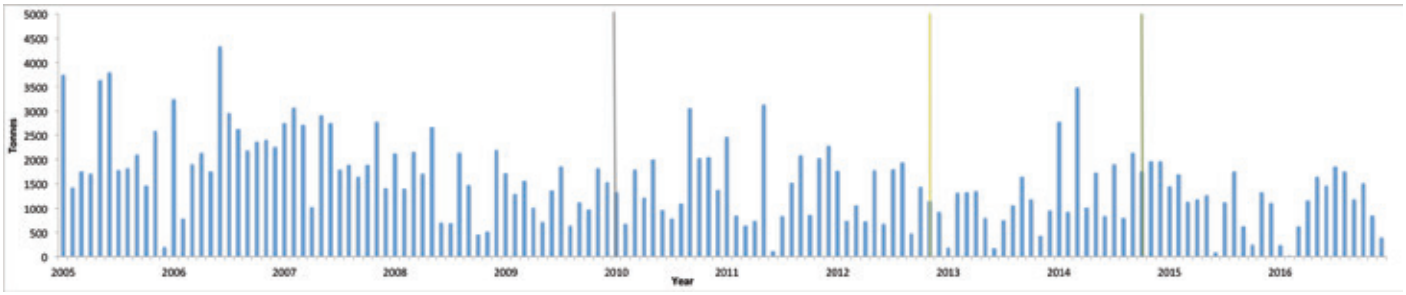


Figure 5d: Monthly imports of frozen fish (0303) from Panama reported by Portugal

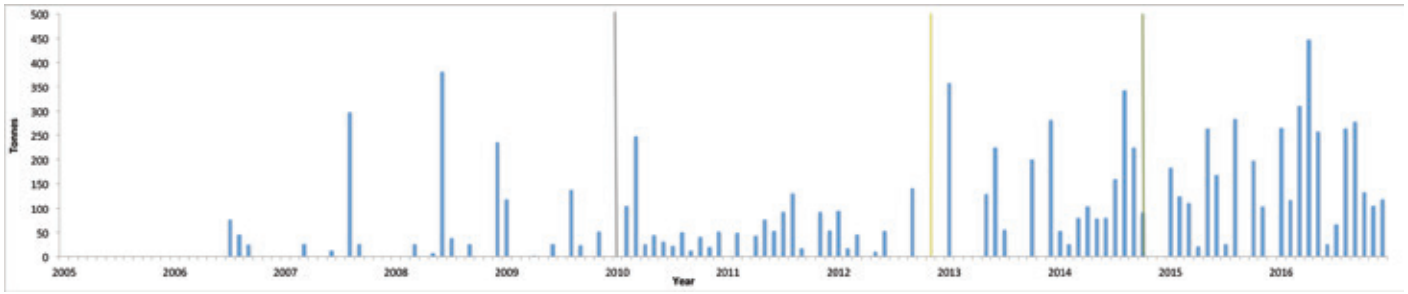
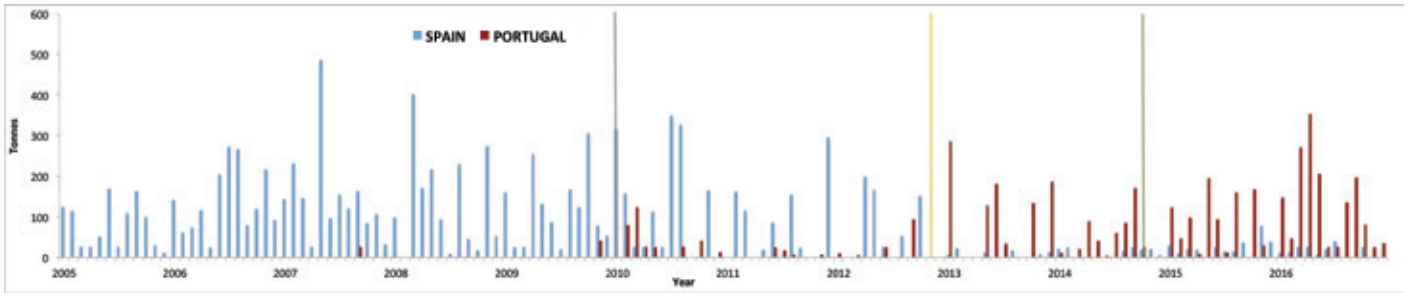
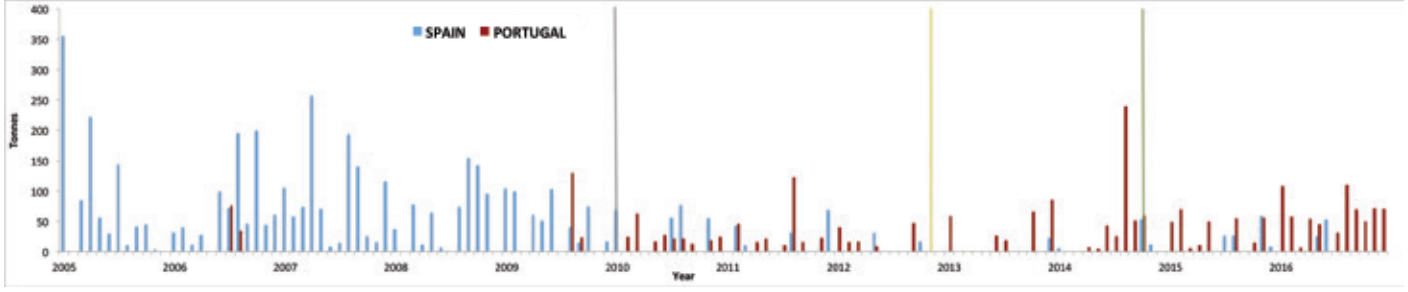


Figure 6d: Monthly imports of frozen swordfish* from Panama reported by Portugal and Spain



*Reported under 0303 79 87 (1991–2006), 0303 61 (2007–2011), 0303 57 (2012–)

Figure 7d: Monthly imports of frozen dogfish and other sharks* from Panama reported by Portugal and Spain



*Reported under 0303 75 (1988–2011) and 0303 81 (2012–)

Note: The entry into force of the IUU Regulation and the dates of the carding decisions are marked as vertical coloured lines (grey, yellow and green).

Table D: Fluctuations in member state imports of seafood from Panama following entry into force of the EU IUU Regulation, and carding decisions

Commodity	Member state	Imports 1 year pre-Reg (tonnes)	Imports 1 year post-Reg (tonnes)	% change	Imports 2 years pre-Reg (tonnes)	Imports 2 years post-Reg (tonnes)	% change	Imports 1 year pre-yellow card (tonnes)	Imports 1 year post-yellow card (tonnes)	% change	Imports 2 years pre-yellow card (tonnes)	Imports 2 years post-yellow card (tonnes)	% change
0303	EU-28	16268	19113	*17*	35655	37299	*5*	**17219**	**12874**	*-25*	34461	33176	*-4*
	Portugal	**360**	**655**	*82*	1074	1261	*17*	**506**	**968**	*91*	**1040**	**2487**	*139*
	Spain	15621	18402	*18*	33870	35946	*6*	**16697**	**11843**	*-29*	33363	30584	*-8*
	UK	**192**	**0**	*-100*	**539**	**0**	*-100*	10	38	*261*	10	58	*480*
0306	EU-28	**3888**	**2580**	*-34*	**8195**	**4935**	*-40*	**2495**	**1882**	*-25*	4726	4425	*-6*
	Denmark	0	0	-	0	0	-	**120**	**144**	*20*	**120**	**678**	*465*
	France	**630**	**202**	*-68*	**963**	**290**	*-70*	**112**	**180**	*61*	**199**	**442**	*123*
	Germany	**120**	**361**	*201*	**120**	**605**	*403*	26	0	*-100*	**380**	**0**	*-100*
	Greece	0	19	-	0	121	-	**158**	**108**	*-32*	**196**	**129**	*-35*
	Italy	**742**	**497**	*-33*	**1462**	**1046**	*-28*	785	649	*-17*	1325	1311	*-1*
	Netherlands	0	32	-	**526**	**58**	*-89*	22	22	*0*	48	66	*37*
	Spain	**2374**	**1470**	*-38*	**5046**	**2769**	*-45*	**1273**	**779**	*-39*	**2411**	**1798**	*-25*
0307	EU-28	19	0	*-100*	**373**	**0**	*-100*	0	0	-	0	0	-
	Portugal	0	0	-	**293**	**0**	*-100*	0	0	-	0	0	-

Notes:
Figures in bold indicate fluctuations of ±20% pre- and post-1 January 2010/carding decision(s) where annual imports of the commodity concerned to the individual MS exceeded 100 tonnes (see Methodology for further discussion of thresholds.

PAPUA NEW GUINEA

Highlights:

- Annual EU imports of seafood increased after 2010, having been relatively constant between 2005 and 2009. An Interim EPA between the EU and Papua New Guinea (PNG) became provisionally applicable in PNG around the time the EU IUU Regulation entered into force, which appears to have impacted trade.
- Imports of frozen yellowfin tuna reported by **France** and **Spain** declined following the yellow card, while imports to **Italy** increased.
- **Germany** was the top importer of prepared and preserved tuna from PNG during the period 2005–2016. Imports of prepared and preserved tuna to **Germany, Spain** and other major importing MS increased after 2010. Peaks in trade were reported by **Austria and Belgium** prior to and following the yellow card.

Background

Papua New Guinea (PNG) was pre-identified (yellow-carded) by the European Commission in June 2014 for failing to take appropriate measures as coastal and market State to combat IUU fishing[81]. PNG had failed inter alia to implement clear CMMs to manage fish stocks within its EEZ based on scientific advice, and to cooperate with flag States fishing in its waters with regard to compliance and enforcement. Measures were also inadequate to prevent catches obtained from IUU fishing from entering its processing industry. The pre-identification decision was lifted in October 2015[82].

PNG and Fiji agreed an Interim EPA with the EU at the end of 2007, which has been provisionally applied in PNG since 20 December 2009. The Interim EPA provides products from PNG with duty-free and quota-free access to the EU market, as well as improved Rules of Origin for processed fishery products. This derogation from the EU's standard Rules of Origin (commonly referred to as 'global sourcing') allows PNG to source raw material from any vessel regardless of flag or where it was caught, provided it has been 'substantially transformed' by a PNG-based processing facility into canned tuna or frozen cooked loins[83]. The aim is to support the development of onshore processing capacity for fish (mainly tuna), in order to create local employment and income[84]. The Interim EPA also includes a Chapter on Technical Barriers to Trade and Sanitary and Phytosanitary (SPS) measures, to help Pacific exporters meet EU import standards.

The agreement was approved by the European Parliament on 19 February 2011, and ratified by PNG's National Parliament on 25 May 2011. The EPA has led to increased exports of goods from PNG to the EU, including tuna, in recent years[85].

PNG's extensive EEZ (2,437,480 km^2)[86] is host to a large tuna fishery, based primarily on skipjack and yellowfin, with smaller quantities of bigeye and albacore[87]. Around 130 foreign purse-seine vessels fish in PNG waters each year[88]. In 2011, 227 vessels were licensed to operate in PNG waters, including 12 domestic (PNG-flagged) vessels, 39 locally-based foreign (or chartered) vessels from the Philippines, China, Taiwan and Vanuatu, and around 176[89] foreign vessels flagged to, among others, China, Japan, Korea, Philippines and Taiwan[90].

The total purse seine catch in PNG waters was 591,252 metric tonnes in 2013 and 342,981 metric tonnes in 2014, representing 30.5% and 16.6% of total purse seine tuna catch in the Western Central Pacific Ocean (WCPO) during these years[91]. The catch trend by vessel category has changed in recent years, with around 50% of catches now taken by vessels with onshore investments in PNG, and the remaining by foreign purse-seine vessels[92]. In the past, foreign vessels fishing under access agreements accounted for around 70% of total annual tuna purse seine catch in the PNG EEZ[93].

The estimated volume of tuna processed in PNG in 2013 was in the order of 100,000 metric tonnes[94]. Germany and the UK are key destinations for canned tuna processed in PNG's canneries[95].

PNG's fleet fishes mainly in the EEZs of island nations in the WCPO such as the Federated States of Micronesia, Kiribati, Nauru and the Solomon Islands[96].

81 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014D0617(01)&from=EN
82 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52015XC1002(02)&from=EN
83 http://trade.ec.europa.eu/doclib/press/index.cfm?id=780
84 http://trade.ec.europa.eu/doclib/docs/2009/january/tradoc_142192.pdf
85 Yafoi, M. "PNG Exports to Europe on the Rise." *Papua New Guinea Post-Courier*, 14 August 2017: http://postcourier.com.pg/png-exports-europe-rise/
86 http://www.fao.org/fi/oldsite/FCP/en/PNG/profile.htm
87 Papua New Guinea National Fisheries Authority (undated). *Tuna Fishery:* http://www.fisheries.gov.pg/FisheriesIndustry/TunaFishery/tabid/104/Default.aspx. Accessed on 21 June 2017.
88 Ibid.
89 Figure for 2010.
90 Hamilton, A., Lewis, A. and Campling, L. (2011). *Report on the Implementation of the Derogation to the Standard Rules of Origin Granted to the Pacific ACP States in the Framework of the Interim Economic Partnership Agreement.* December 2011: http://trade.ec.europa.eu/doclib/docs/2012/february/tradoc_149137.pdf
91 World Bank and Pacific Possible (undated, draft). *Tuna Fisheries:* http://pubdocs.worldbank.org/en/858301461833983033/WB-PP-Tuna-Fisheries.pdf
92 Papua New Guinea National Fisheries Authority. Tuna Fishery.
93 Hamilton A., Lewis, A. and Campling, L. (2011). *Report on the Implementation of the Derogation to the Standard Rules of Origin Granted to the Pacific ACP States in the Framework of the Interim Economic Partnership Agreement.*
94 World Bank and Pacific Possible (undated, draft). Tuna Fisheries.
95 Papua New Guinea National Fisheries Authority (undated). *Tuna Fishery.*
96 Sea Around Us. Catches by EEZ by the fleets of Papua New Guinea: http://www.seaaroundus.org/data/#/fishing-entity/136?chart=catch-chart&dimension=eez&measure=tonnage&limit=10. Accessed on 21 June 2017.

Analysis of import data

The major seafood commodities imported by the EU MS from PNG[97] during the period 2005–2016 were prepared and preserved skipjack and yellowfin, including in canned form and as loins, and frozen yellowfin for further processing and other purposes[98].

During the period 2005–2009, PNG exported around 15,720 tonnes of seafood to the EU annually, according to importer reported data in Eurostat (Figure 1e). Exports increased during the period 2010–2016, with a peak 33,130 tonnes in 2013. The value of seafood exports to the EU increased after 2010, peaking at EUR 138.6 million in 2013. Export values to the EU remained relatively constant during the period 2014–2016, fluctuating at around EUR 109.2 million per year (Figure 2e).

An overview of fluctuations in MS imports of seafood from PNG following the entry into force of the EU IUU Regulation and carding decisions is provided in Table E.

(i) Frozen fish (0303)

Imports of frozen fish reported by the EU-28 increased after 2010, by 177% in the period 2010–2011 compared to 2008–2009 (Figure 3e). This primarily reflects the trend in import volumes to Spain post-2010.

Notable fluctuations in import volumes of frozen fish, nearly all of which concerned yellowfin tuna, were also identified in the year following the yellow card.

- France reported a decline of 408 tonnes, a 77% decrease in imports (Figure 4e).
- Italy reported an increase of 323 tonnes, a 647% increase in imports (Figure 5e).
- Spain reported decline of 325 tonnes, a 21% decrease in imports (Figure 6e).

(ii) Prepared and preserved fish (1604)

Germany was the top importer of prepared and preserved fish from PNG during the period 2005–2016, followed by Spain and the UK. Nearly all (98%) of these imports concerned prepared or preserved tuna, with the remainder reported to general prepared or preserved fish categories. The major importers reported increased imports from PNG following the IUU Regulation's entry to force, which also coincided with provisional application of the Interim EPA. In Germany, import volumes in 2010–2011 were 67% higher than in 2008–2009 (Figure 8e). Spain also showed a marked increase in import volumes after 2010, with import volumes 612% higher in 2010–2011 than in 2008–2009, primarily tuna loins (Figure 9e).

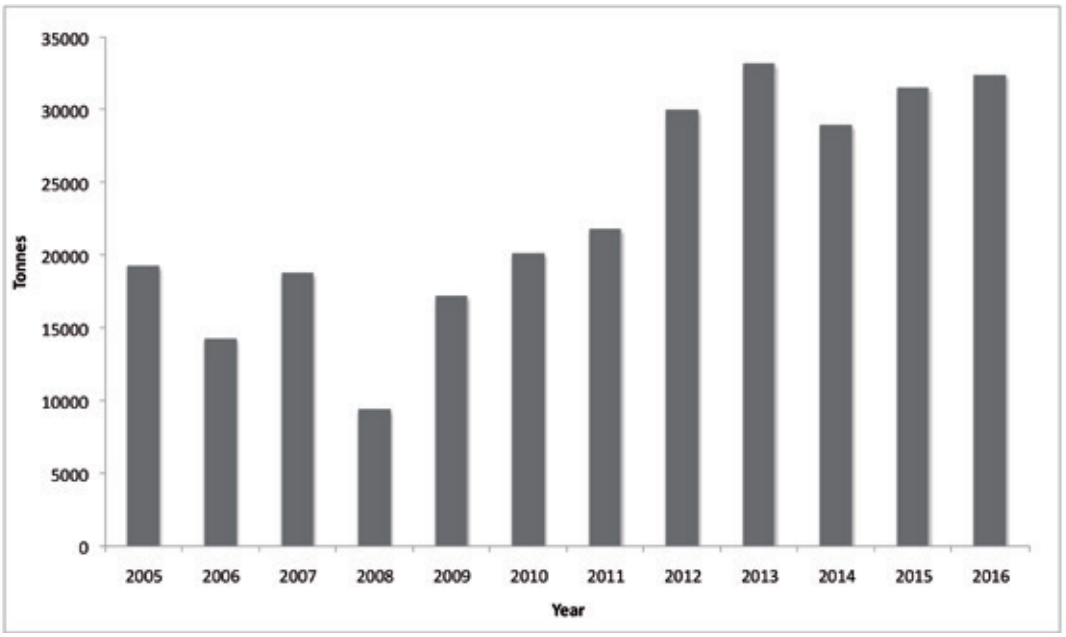
Notable fluctuations were also observed around the yellow card in June 2014, for example:

- Imports to Austria increased by 26% in the year following the yellow card, an increase of 35 tonnes, with a peak also seen in the six months prior to the yellow card (Figure 10e).
- Imports to Belgium increased by 29% in the year following the yellow card, an increase of 260 tonnes, with a peak seen in the six months prior to the yellow card (Figure 11e).
- Sudden peaks in imports reported by Portugal around the yellow card, including 268 tonnes in March 2014 (Figure 12e).
- Imports to the UK increased by 52% in the year following the yellow card, an increase of 1942 tonnes (Figure 13e).

97 Exports of frozen whole round fish by large chartered vessels (which are considered to be part of the PNG fleet) transhipped in PNG ports are not currently regarded as exports of PNG. Similarly, fish caught by foreign access vessels which take much of their catch in PNG waters and transhipped in PNG ports for export is not regarded as exports of PNG: http://trade.ec.europa.eu/doclib/docs/2012/february/tradoc_149137.pdf

98 Eurostat.

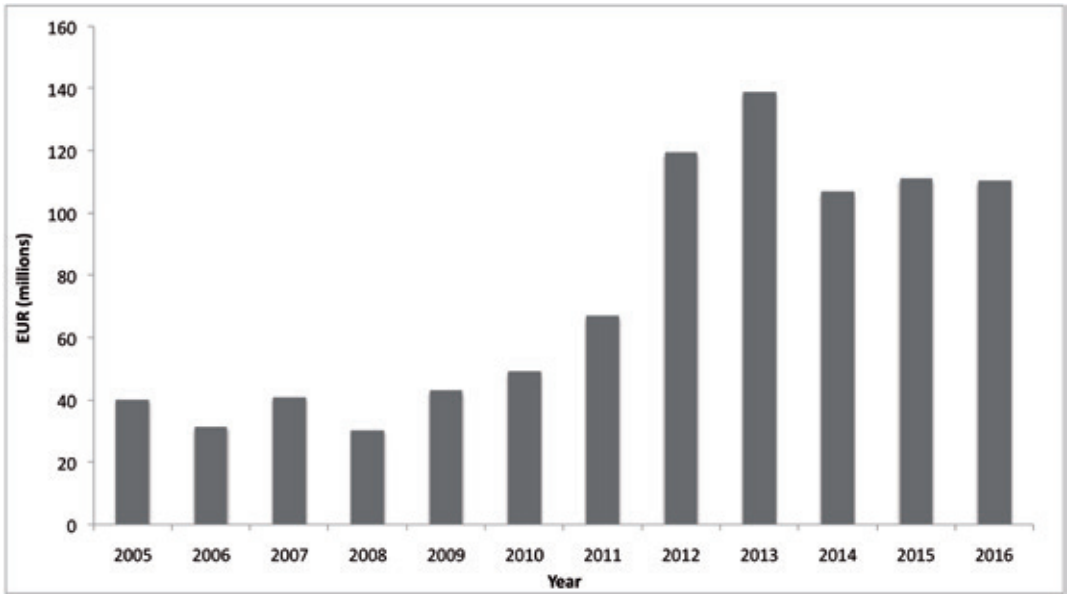
Figure 1e: Estimated volume of seafood* imports from PNG reported by the EU-28 (2005–2016)



Source: Eurostat

*Estimated volume of products falling within the scope of the IUU Regulation. Calculated based on the methodology set out in DG MARE (2014): http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

Figure 2e: Estimated value of seafood* imports from PNG reported by the EU-28 (2005–2016)



Source: Eurostat

*Estimated value of products falling within the scope of the IUU Regulation. Calculated based on the methodology set out in DG MARE (2014): http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

Figure 3e: Monthly imports of frozen fish (0303) from PNG reported by the EU-28

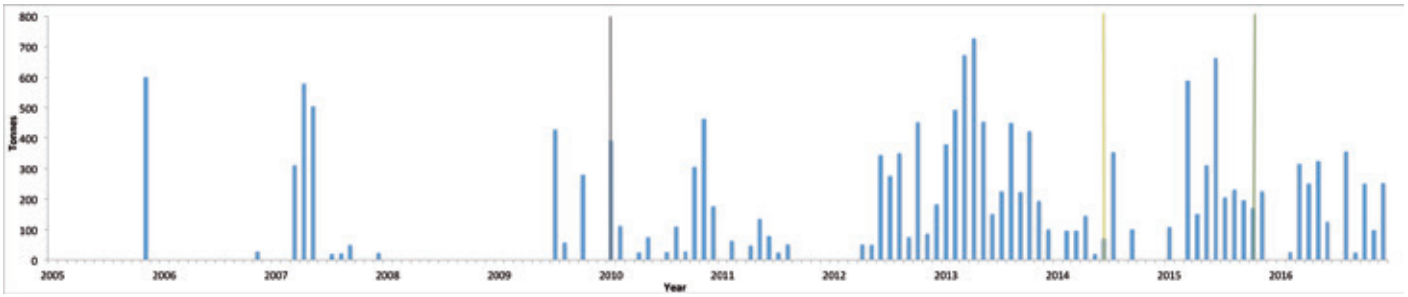


Figure 4e: Monthly imports of frozen fish (0303) from PNG reported by France

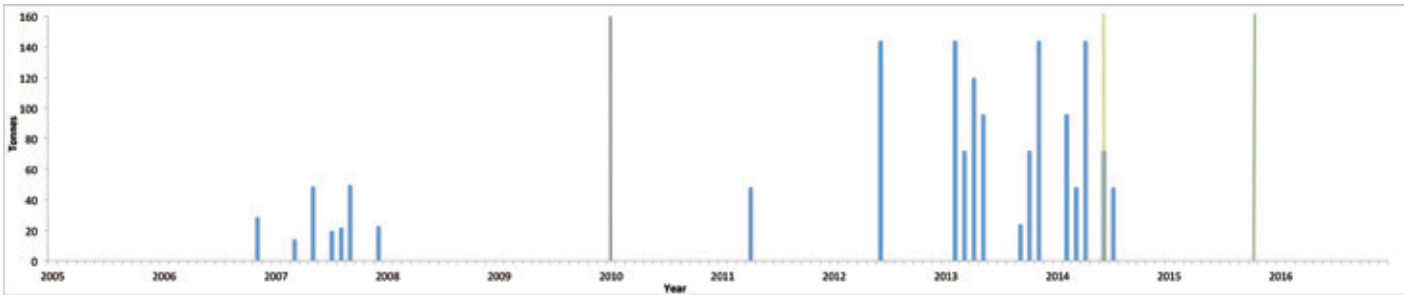


Figure 5e: Monthly imports of frozen fish (0303) from PNG reported by Italy

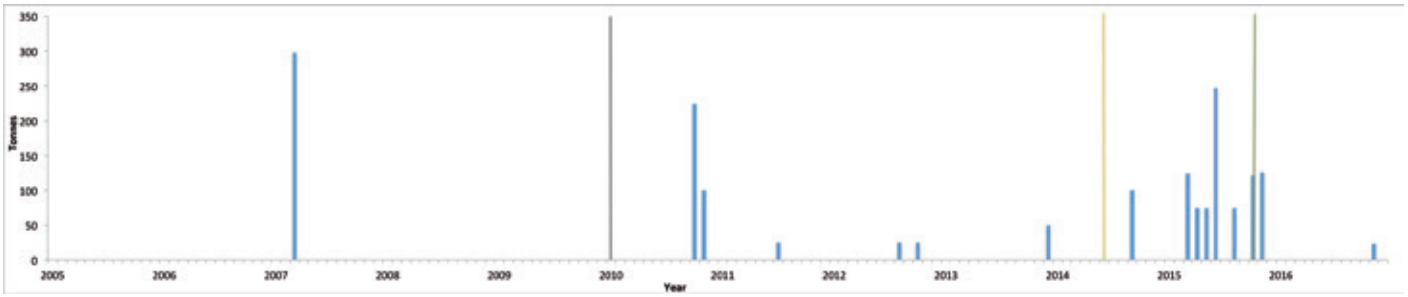
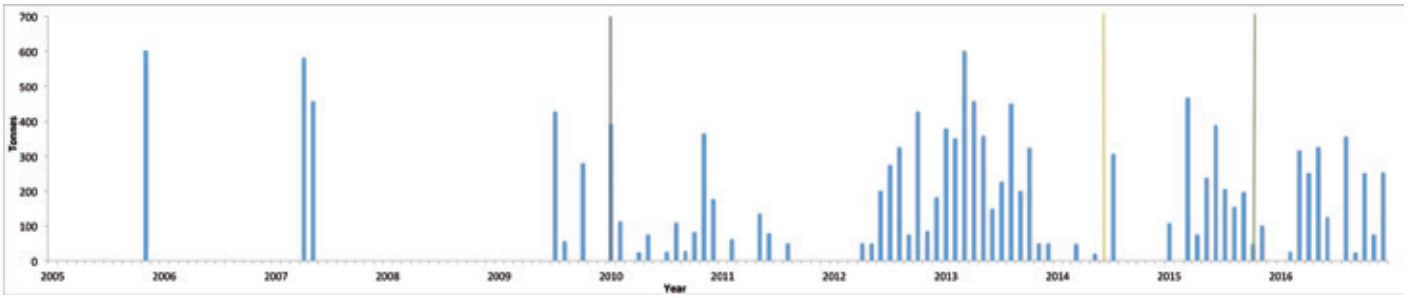


Figure 6e: Monthly imports of frozen fish (0303) from PNG reported by Spain



Note: The entry into force of the IUU Regulation and the dates of the carding decisions are marked as vertical coloured lines (grey, yellow and green).

Figure 7e: Monthly imports of prepared and preserved fish (1604) from PNG reported by the EU-28

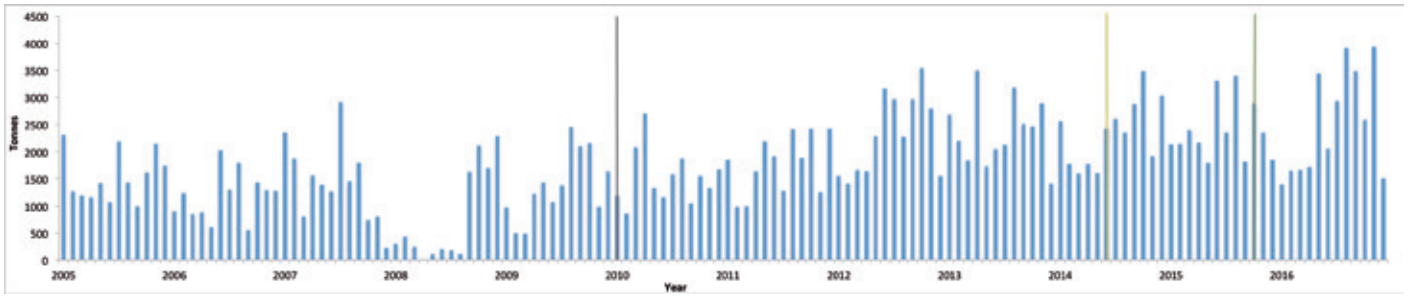


Figure 8e: Monthly imports of prepared and preserved fish (1604) from PNG reported by Germany

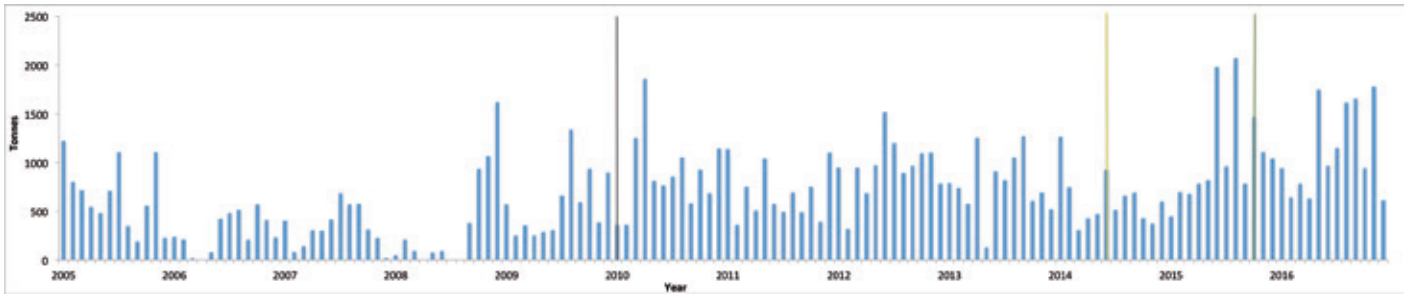


Figure 9e: Monthly imports of prepared and preserved fish (1604) from PNG reported by Spain

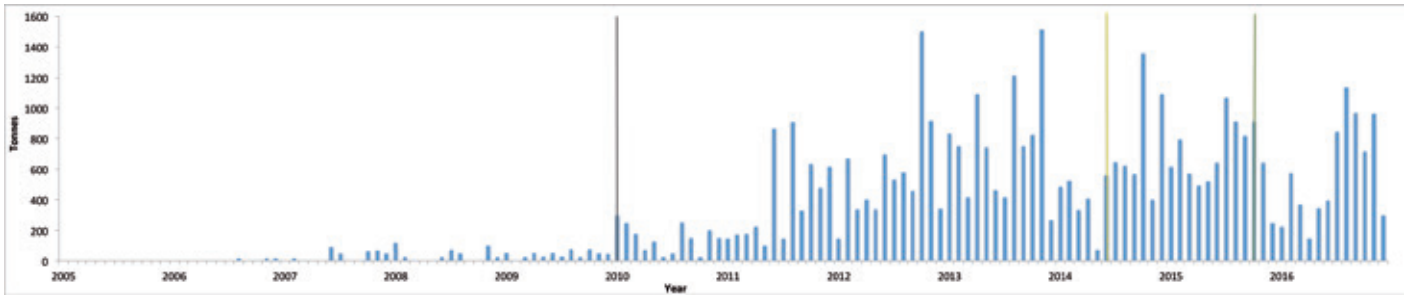


Figure 10e: Monthly imports of prepared and preserved fish (1604) from PNG reported by Austria

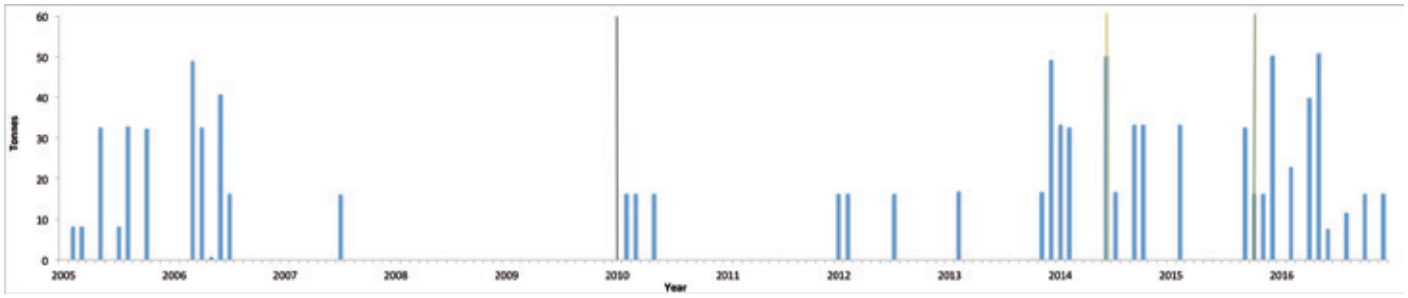


Figure 11e: Monthly imports of prepared and preserved fish (1604) from PNG reported by Belgium

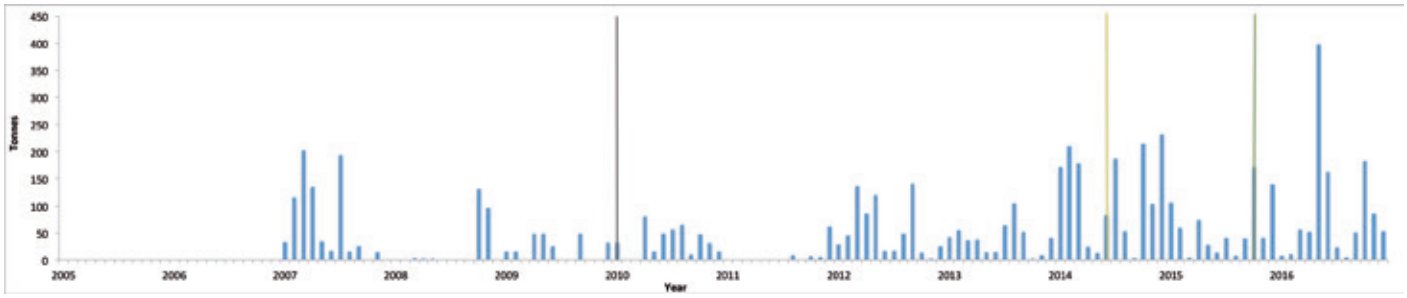


Figure 12e: Monthly imports of prepared and preserved fish (1604) from PNG reported by Portugal

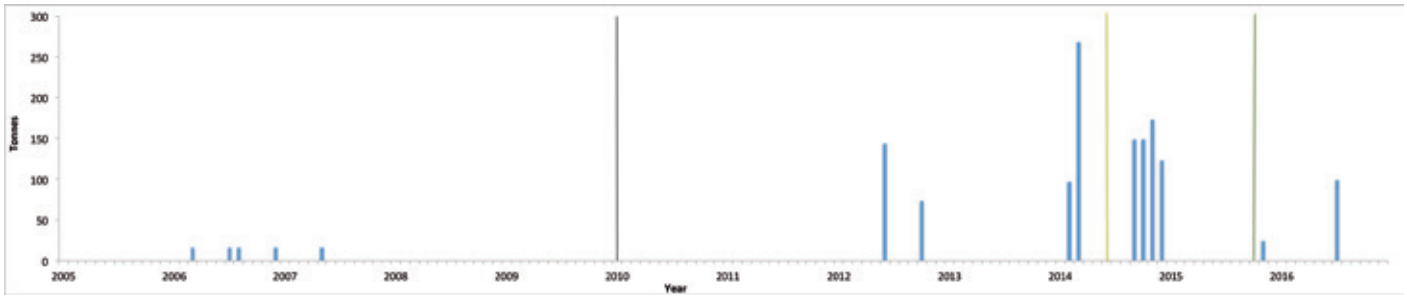


Figure 13e: Monthly imports of prepared and preserved fish (1604) from PNG reported by the UK

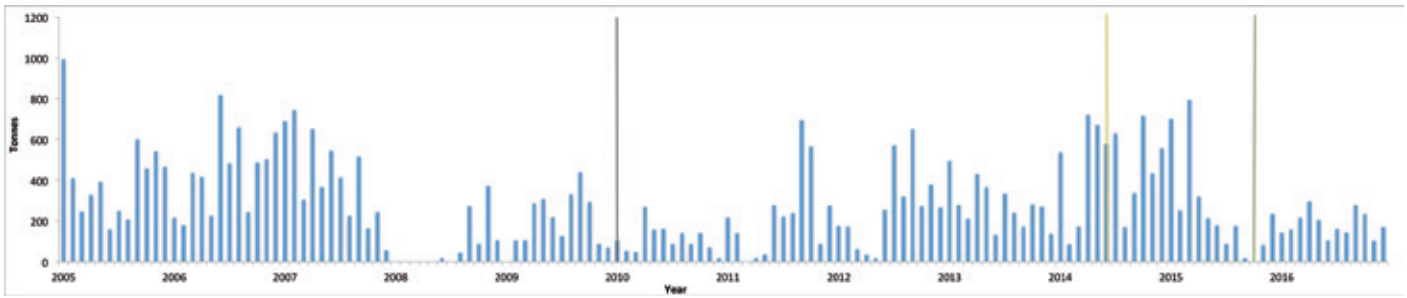


Table E: Fluctuations in member state imports of seafood from PNG following entry into force of the EU IUU Regulation, and carding decisions

Commodity	Member state	Imports 1 year pre-Reg (tonnes)	Imports 1 year post-Reg (tonnes)	% change	Imports 2 years pre-Reg (tonnes)	Imports 2 years post-Reg (tonnes)	% change	Imports 1 year pre-yellow card (tonnes)	Imports 1 year post-yellow card (tonnes)	% change	Imports 2 years pre-yellow card (tonnes)	Imports 2 years post-yellow card (tonnes)	% change
0303	EU-28	**765**	**1718**	*125*	**765**	**2117**	*177*	**2120**	**1686**	*-20*	**6613**	**4296**	*-35*
	France	0	0	-	0	48	-	**528**	**120**	*-77*	**1104**	**120**	*-89*
	Italy	**0**	**324**	-	**0**	**349**	-	**50**	**373**	*647*	**100**	**942**	*840*
	Portugal	0	0	-	0	0	-	25	0	*-100*	**175**	**26**	*-85*
	Spain	**765**	**1394**	*82*	**765**	**1720**	*125*	**1517**	**1192**	*-21*	**5234**	**3208**	*-39*
0304	EU-28	0	9	-	0	99	-	0	0	-	**264**	**0**	*-100*
	France	0	9	-	0	81	-	0	0	-	**217**	**0**	*-100*
1604	EU-28	16400	18386	*12*	**25717**	**39639**	*54*	25952	29333	*13*	57173	57185	*0*
	Austria	0	49	-	0	49	-	**132**	**167**	*26*	**165**	**396**	*140*
	Belgium	**235**	**403**	*72*	469	485	*3*	**887**	**1147**	*29*	**1340**	**2125**	*59*
	Denmark	**195**	**291**	*49*	**244**	**426**	*75*	**228**	**306**	*34*	**326**	**517**	*59*
	France	**1111**	**778**	*-30*	1181	988	*-16*	1390	1553	*12*	2494	2726	*9*
	Germany	**6838**	**10666**	*56*	**11363**	**18966**	*67*	9079	7613	*-16*	20112	21764	*8*
	Ireland	72	14	*-80*	72	86	*20*	34	93	*171*	**106**	**237**	*123*
	Italy	**1290**	**755**	*-41*	**1686**	**2257**	*34*	**1283**	**1783**	*39*	3092	3152	*2*
	Netherlands	**3187**	**2077**	*-35*	5745	5282	*-8*	**1362**	**1964**	*44*	**3838**	**2537**	*-34*
	Poland	**248**	**66**	*-73*	**279**	**82**	*-71*	66	0	*-100*	**228**	**32**	*-86*
	Portugal	0	0	-	0	0	-	**365**	**595**	*63*	582	619	*6*
	Spain	**509**	**1760**	*246*	**921**	**6561**	*612*	7270	8236	*13*	16129	15139	*-6*
	Sweden	**162**	**62**	*-62*	**263**	**154**	*-42*	33	81	*150*	93	81	*-13*
	UK	**2381**	**1347**	*-43*	**3289**	**4126**	*25*	**3770**	**5711**	*51*	8279	7512	*-9*

Notes:
Figures in bold indicate fluctuations of ±20% pre- and post-1 January 2010/carding decision(s) where annual imports of the commodity concerned to the individual MS exceeded 100 tonnes (see Methodology for further discussion of thresholds).

PHILIPPINES

Highlights:

- Annual EU imports of seafood declined during the period 2011–2014 compared to the preceding years, with a low in 2012. However, imports of the category 'frozen fish' increased during this period.
- Imports recovered slightly in 2015, which may be linked to the Philippines becoming a beneficiary under the EU GSP+ in December 2014. This coincided with the period of the yellow card.
- Imports of frozen yellowfin tuna reported by the EU increased after 2010. **France** reported a sudden peak in imports two months prior to the yellow card.
- Imports of fish fillets and meat reported by **Germany** declined prior to and during the yellow card, while imports to the **Netherlands** increased.
- Imports of molluscs, mainly octopus, reported by **Italy** declined in early 2012, but increased again following the yellow card.
- Sudden peaks in imports of prepared and preserved tuna were reported by **Italy** and **Spain** six months prior to the carding decision. Smaller peaks were also reported by Italy during the period of the yellow card.
- Peaks in imports reported by **Germany** during the yellow card coincided with the removal of tariff barriers under the GSP+ in December 2014.

Background

The Philippines was pre-identified (yellow-carded) by the European Commission in June 2014 for failing to discharge its obligations as coastal, flag and market State to combat IUU fishing[99]. Amongst other things, the Philippines had failed to implement CMMs for its national waters in line with its international and RFMO obligations, and exert effective control over vessels fishing within its waters, landing in its ports, and registered to its flag. Due to various shortcomings, the Philippines was unable to ensure fish and fishery products entering its processing plants did not stem from IUU fishing. The pre-identification decision was lifted in April 2015[100].

From 25 December 2014, the Philippines has benefitted from enhanced trade preferences under the EU's Generalised Scheme of Preferences plus (GSP+). Canned tuna exported from the Philippines to the EU benefits from a zero tariff under the GSP+. Prior to this, trade with the Philippines was regulated under the standard GSP scheme[101], with prepared tuna exports subject to a tariff rate of 20.5%[102]. In the first six months of 2015, exports from the Philippines to the EU under the GSP increased by 27% (from EUR 584 million to EUR 743 million), or 41% for fish and related products[103]. Meanwhile, exports from the Philippines to most countries declined in 2015. Negotiations for an FTA between the EU and the Philippines were formally launched on 22 December 2015.

The Philippines is one of the top fish producing countries in the world, and a major tuna producer in the WCPO[104]. In 2016, the Philippines had 846 vessels in the register of the Western and Central Pacific Fisheries Commission (WCPFC), including 387 support vessels, 263 fish carriers, 152 purse seiners and 19 longliners[105]. The Philippines' fleet fishes primarily in national waters, as well as in the high seas areas of the WCPO and in the Indonesian EEZ[106].

Between 330,000 and 388,000 metric tonnes of tuna (skipjack, yellowfin and bigeye) were unloaded in Philippine ports annually during the period 2010–2015[107]. Tuna is the main export commodity, with canned tuna representing the bulk of tuna exports. There are around 17 frozen tuna processors in the Philippines handling fresh and frozen sashimi grade tuna, primarily for export to markets such as the US and EU[108]. There are eight tuna canneries in the Philippines, with major markets including the US, Japan and the EU[109].

A 2012 report commissioned by the Spanish-based National Association of Sea and Fish Canned Food Producers, ANFACO, raised concerns surrounding forced labour in the tuna sector in the Philippines. ANFACO clarified that they would not stop importing tuna from the Philippines, but would exercise "extreme controls of raw material from Philippine companies that do not respect labour standards" set by the International Labour Organization (ILO)[110].

99 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014D0617(02)&from=EN
100 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52015XC0429(02)&from=EN
101 http://ec.europa.eu/trade/policy/countries-and-regions/countries/philippines/
102 http://www.eeas.europa.eu/archives/delegations/philippines/documents/press_corner/20141218.pdf
103 http://eeas.europa.eu/archives/delegations/philippines/documents/press_corner/20162801.pdf
104 https://www.wcpfc.int/system/files/AR-CCM-20%20PHILIPPINES%20PART%201.pdf
105 Source: WCPFC Website, as of 18 April 2016, cited in: https://www.wcpfc.int/system/files/AR-CCM-20%20PHILIPPINES%20PART%201.pdf
106 http://www.seaaroundus.org/data/#/fishing-entity/138?chart=catch-chart&dimension=eez&measure=tonnage&limit=10. Accessed on 22 June 2017.
107 Source: PSA Annual Fisheries Statistics, cited in: https://www.wcpfc.int/system/files/AR-CCM-20%20PHILIPPINES%20PART%201.pdf. The annual tuna catch estimates for 2010-2015 includes all the tuna catch unloaded in Philippine ports regardless where they were caught and does not separate those catches from foreign waters or caught by foreign-flagged vessels.
108 https://www.wcpfc.int/system/files/AR-CCM-20%20PHILIPPINES%20PART%201.pdf
109 Ibid.
110 http://agritrade.cta.int/Fisheries/Topics/Market-access/Spanish-processors-are-to-examine-labour-conditions-of-tuna-imports

Analysis of import data

The major seafood commodities imported by the EU MS from the Philippines during the period 2005–2016 were prepared and preserved skipjack and yellowfin tuna, including in canned form and as loins, frozen yellowfin for further processing and other purposes, and frozen octopus[111].

Exports of seafood from the Philippines to the EU dropped in 2011 compared to the preceding years, according to importer reported data in Eurostat (Figure 1f). Average annual exports during the period 2007–2010 were around 66,060 tonnes, compared to 49,650 tonnes during the period 2011–2014. Export volumes then increased slightly in 2015 to 58,350 tonnes.

The value of seafood exports to the EU showed a broad increase over the period 2005–2016, with peaks in 2013 and in 2015, at EUR 168.5 million and EUR 179.6 million, respectively (Figure 2f).

An overview of fluctuations in MS imports of seafood from the Philippines following the entry into force of the EU IUU Regulation and carding decisions is provided in Table F.

(i) Frozen fish (0303)

Imports of frozen fish reported by the EU-28 increased following entry into force of the IUU Regulation, by 97% in 2010–11 compared to importer reported volumes for 2008–2009 (Figure 3f). This was primarily due to large increases reported by the key importing MS:

- Imports to France increased by 259% in 2010–11 to 3373 tonnes (Figure 4f).
- Imports to Italy increased by 311% in 2010–11, to 9812 tonnes (Figure 5f).
- Imports to Spain increased by 54% in 2010–11, to 21,152 tonnes (Figure 6f).

Spain reported a decline in imports of 47% in the year following the yellow card. France reported a monthly peak in imports of 744 tonnes in April 2014, two months before the yellow card. The bulk of this trade concerned frozen yellowfin tuna.

(ii) Fish fillets and meat (0304)

Germany was the leading importer of fish fillets and meat from the Philippines during the period 2005–2016. Imports increased by 23% in the period 2010–2011 compared to 2008–2009, before declining in the six months prior to, and during, the yellow card (Figure 7f). Imports reported by Italy and the Netherlands also increased after 2010 (Figures 8f and 9f), but remained more constant in Italy, and increased in the Netherlands, in the year following the yellow card. The majority of trade was reported to unspecified (general) categories, but with some imports of frozen tuna fillets also reported.

(iii) Molluscs (0307)

Notable trends in imports of molluscs were reported by Italy during the period 2005–2016 (Figure 10f). Imports declined in early 2012, but increased again by 670% to 236.5 tonnes in the year following the yellow card. Trade mainly concerned octopus (smoked, frozen, dried, salted or in brine).

(iv) Prepared and preserved fish (1604)

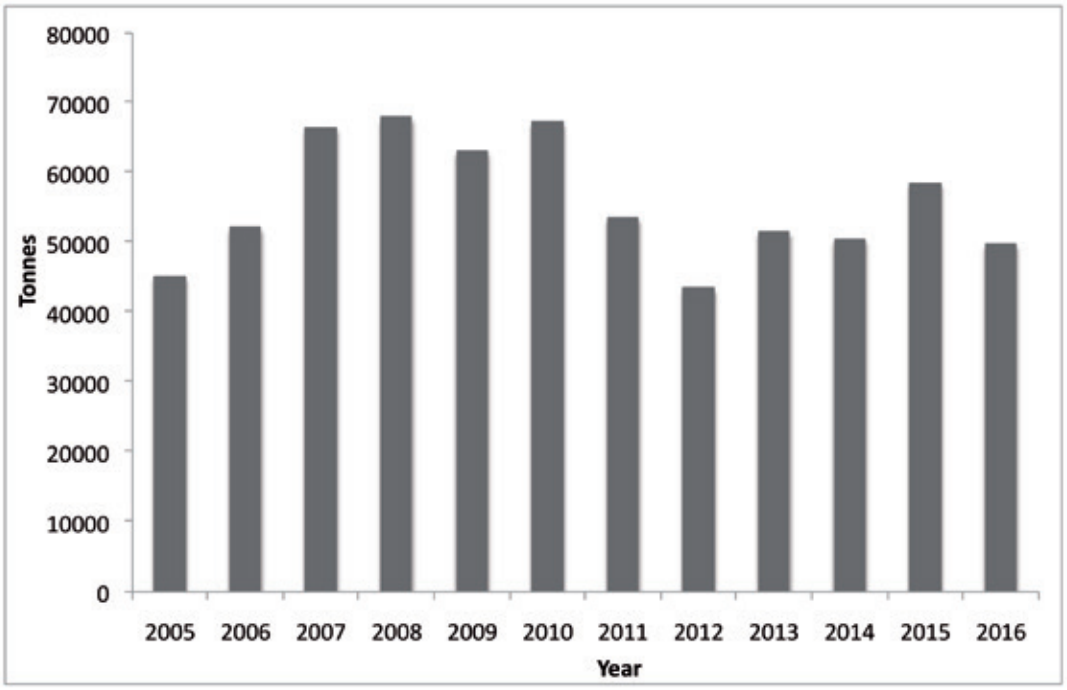
The bulk of imports of prepared and preserved fish from the Philippines to the EU during the period 2005–2016 concerned tuna. While import fluctuations were observed for several MS, examples of notable trade anomalies include:

- Sudden and significant peaks in imports reported by Italy (2094 tonnes) and Spain (1874 tonnes) in January 2014, six months prior to the carding decision (Figures 11f and 12f)[112]. In the case of Italy, this was followed by smaller peaks during the time of the yellow card.
- Imports reported by Austria increased by 226% in the year following the yellow card, to 274 tonnes (Figure 13f).
- Imports reported by Romania increased by 274% in the year following the yellow card to 104 tonnes (Figure 14f).

In addition, Germany reported peaks in trade in the first six months of 2015, prior to the withdrawal of the yellow card (Figure 15f). This coincided with the removal of tariff barriers at the end of 2014.

111 Eurostat.
112 It is noted that Ghana, also a major exporter of canned tuna to the EU, received a yellow card in November 2013. This may have influenced import flows from other major exporting countries such as the Philippines.

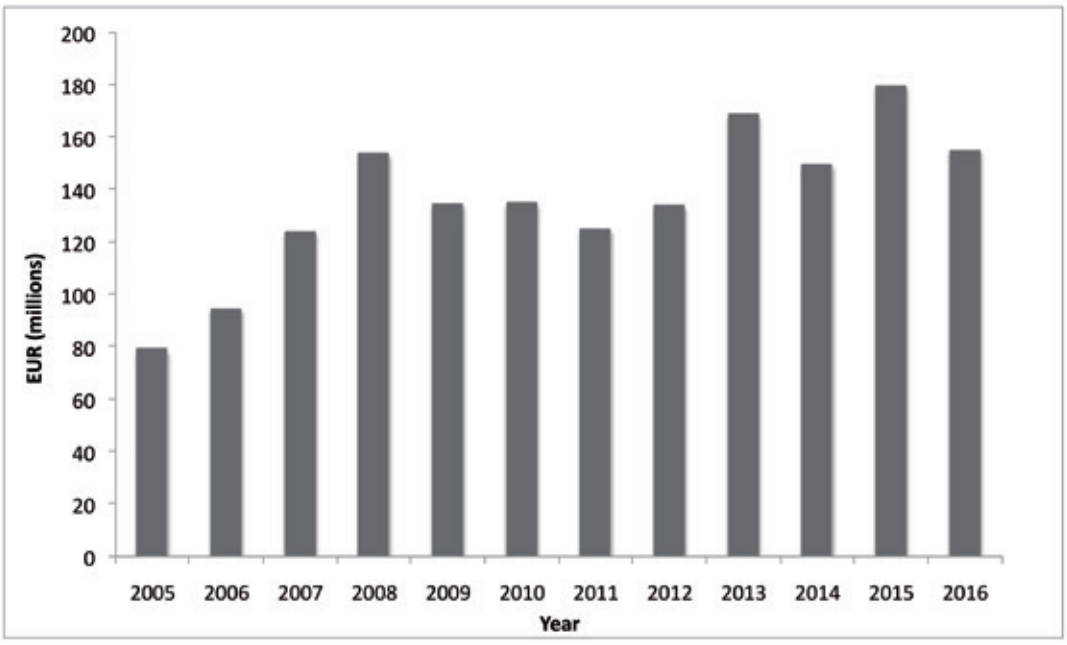
Figure 1f: Estimated volume of seafood* imports from the Philippines reported by the EU-28 (2005–2016)



Source: Eurostat

*Estimated volume of products falling within the scope of the IUU Regulation. Calculated based on the methodology set out in DG MARE (2014): http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

Figure 2f: Estimated value of seafood* imports from the Philippines reported by the EU-28 (2005–2016)



Source: Eurostat

*Estimated value of products falling within the scope of the IUU Regulation. Calculated based on the methodology set out in DG MARE (2014): http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

Figure 3f: Monthly imports of frozen fish (0303) from the Philippines reported by the EU-28

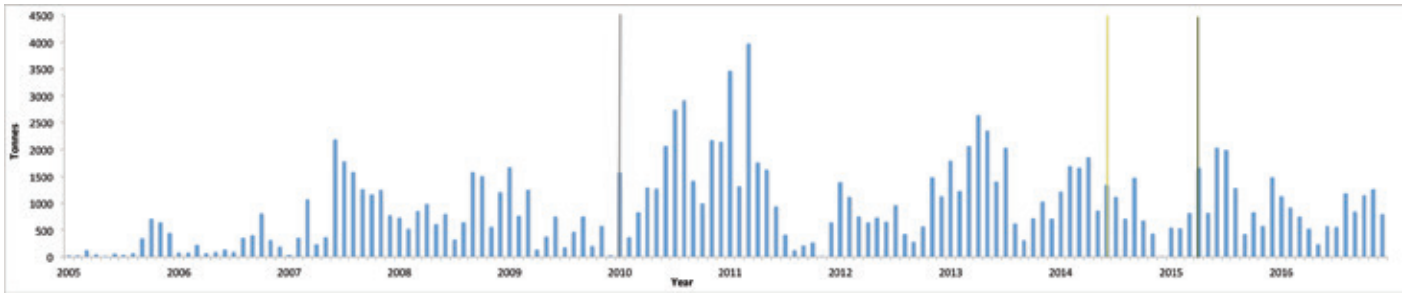


Figure 4f: Monthly imports of frozen fish (0303) from the Philippines reported by France

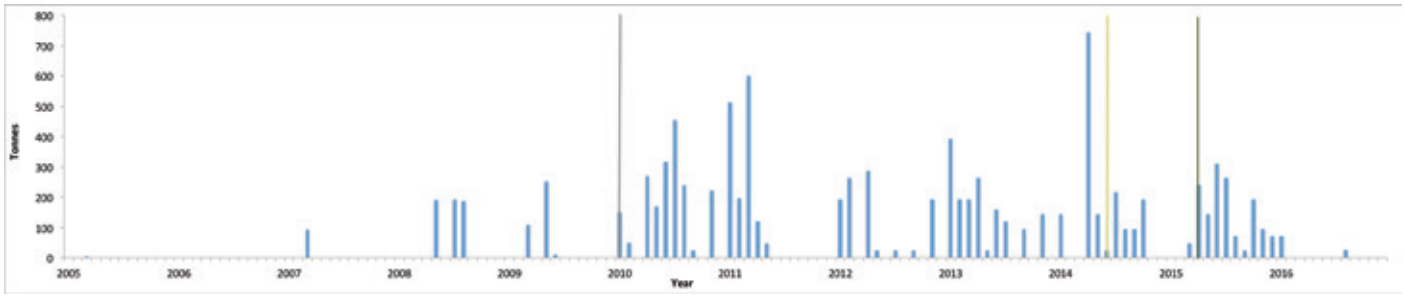


Figure 5f: Monthly imports of frozen fish (0303) from the Philippines reported by Italy

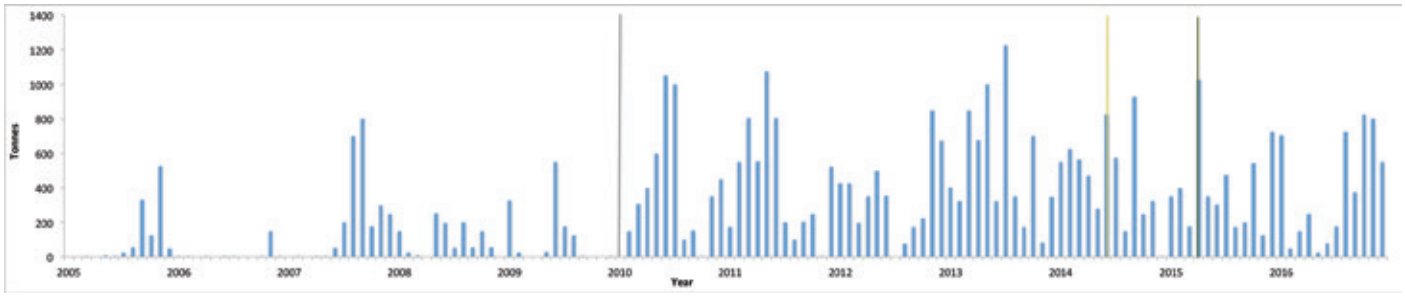


Figure 6f: Monthly imports of frozen fish (0303) from the Philippines reported by Spain

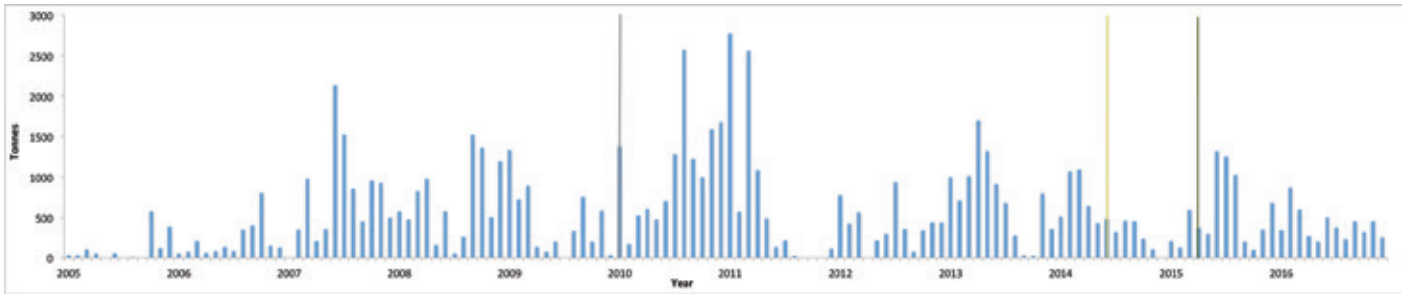
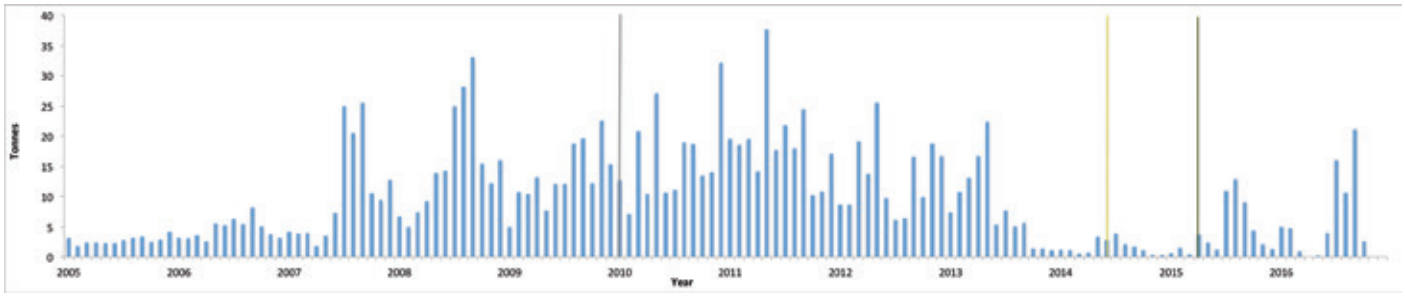


Figure 7f: Monthly imports of fish fillets and meat (0304) from the Philippines reported by Germany



Note: The entry into force of the IUU Regulation and the dates of the carding decisions are marked as vertical coloured lines (grey, yellow and green).

Figure 8f: Monthly imports of fish fillets and meat (0304) from the Philippines reported by Italy

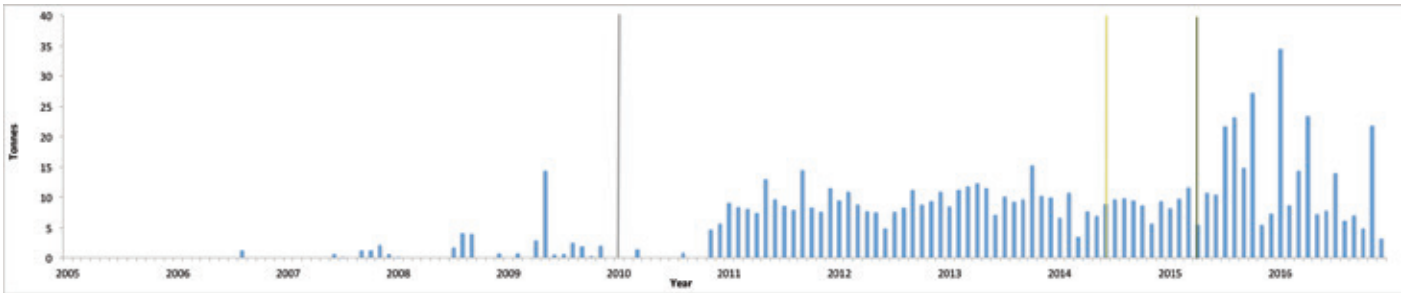


Figure 9f: Monthly imports of fish fillets and meat (0304) from the Philippines reported by the Netherlands

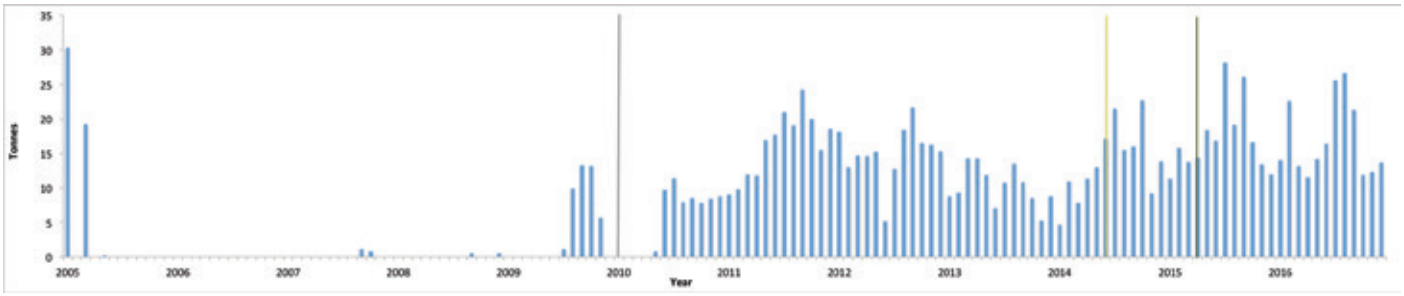


Figure 10f: Monthly imports of molluscs (0307) from the Philippines reported by Italy

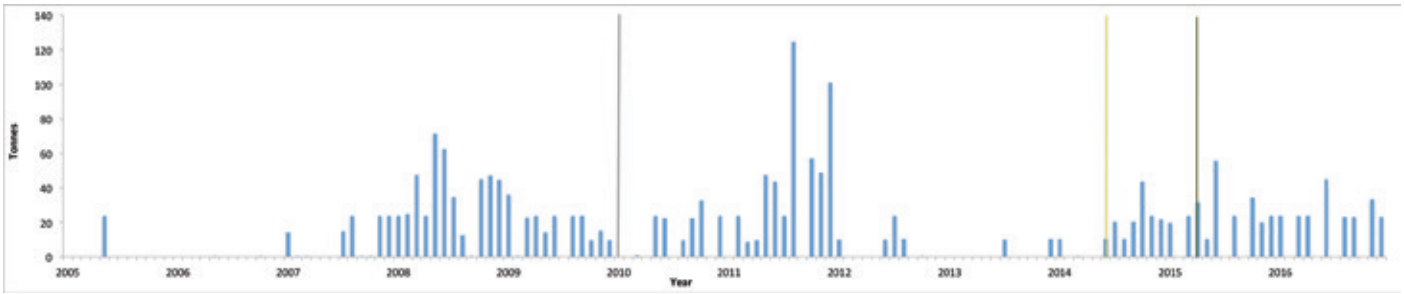


Figure 11f: Monthly imports of prepared and preserved fish (1604) from the Philippines reported by Italy

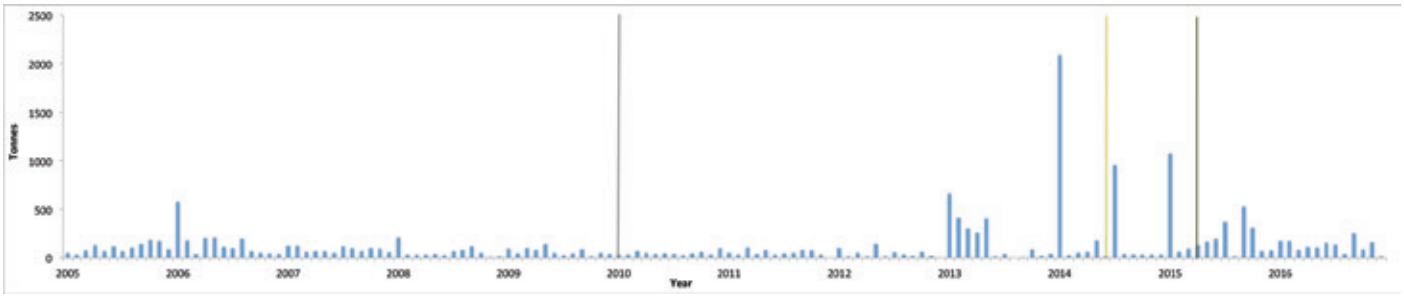


Figure 12f: Monthly imports of prepared and preserved fish (1604) from the Philippines reported by Spain

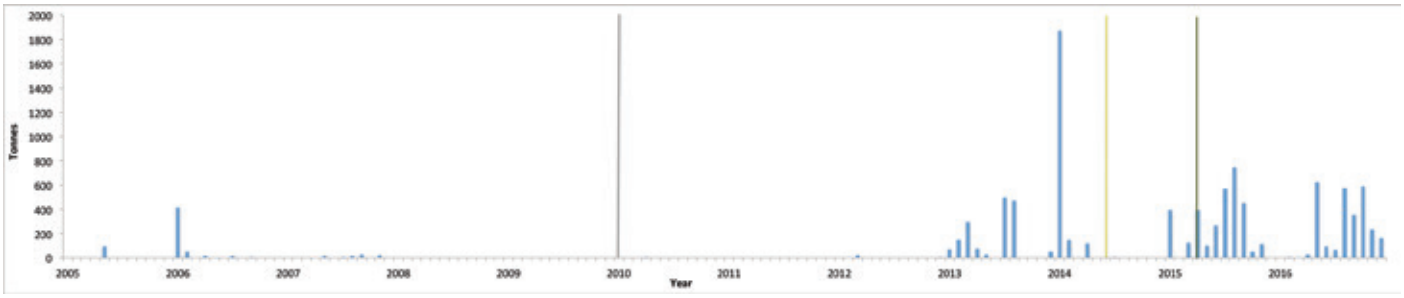


Figure 13f: Monthly imports of prepared and preserved fish (1604) from the Philippines reported by Austria

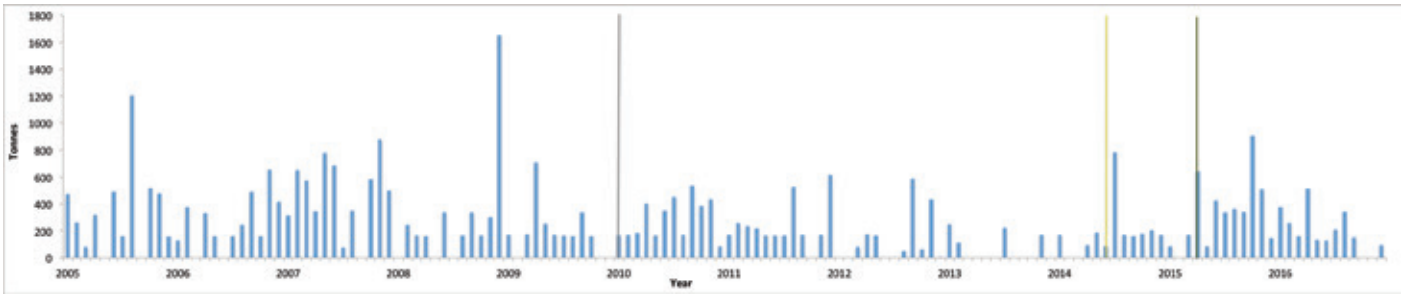


Figure 14f: Monthly imports of prepared and preserved fish (1604) from the Philippines reported by Romania

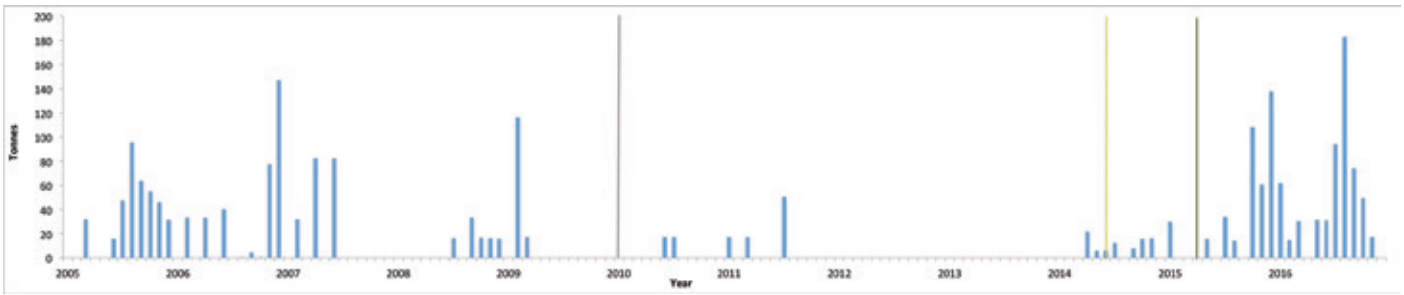


Figure 15f: Monthly imports of prepared and preserved fish (1604) from the Philippines reported by Germany

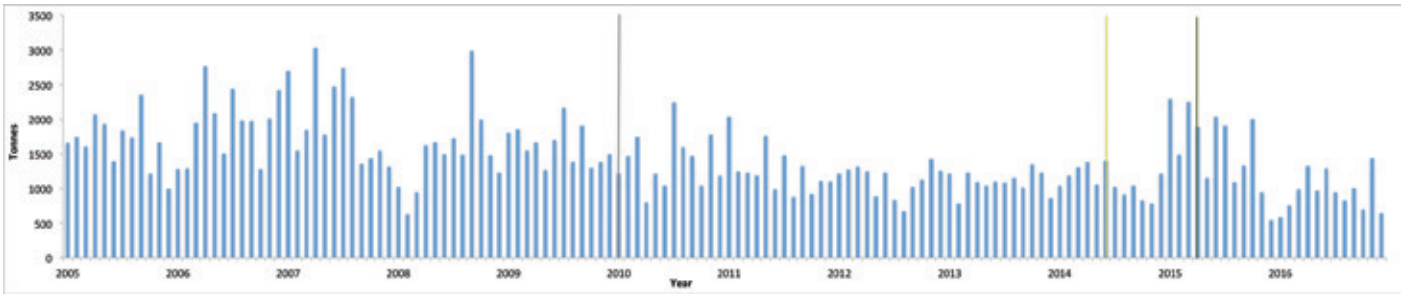


Table F: Fluctuations in member state imports of seafood from the Philippines following entry into force of the EU IUU Regulation, and carding decisions

Commodity	Member state	Imports 1 year pre-Reg (tonnes)	Imports 1 year post-Reg (tonnes)	% change	Imports 2 years pre-Reg (tonnes)	Imports 2 years post-Reg (tonnes)	% change	Imports 1 year pre-yellow card (tonnes)	Imports 1 year post-yellow card (tonnes)	% change	Imports 2 years pre-yellow card (tonnes)	Imports 2 years post-yellow card (tonnes)	% change
0303	EU-28	**7194**	**19786**	*175*	**17541**	**34524**	*97*	**14131**	**10158**	*-28*	**29730**	**22369**	*-25*
	Croatia	**58**	**100**	*71*	78	100	*28*	0	0	-	0	0	-
	France	**370**	**1896**	*412*	**939**	**3373**	*259*	**1551**	**1056**	*-32*	**2855**	**2160**	*-24*
	Italy	**1239**	**4562**	*268*	**2388**	**9812**	*311*	5703	5359	*-6*	**11310**	**9090**	*-20*
	Portugal	**230**	**0**	*-100*	**230**	**0**	*-100*	0	26	-	0	130	-
	Spain	**5252**	**13202**	*151*	**13724**	**21152**	*54*	**6834**	**3650**	*-47*	**15465**	**10866**	*-30*
0304	EU-28	**303**	**408**	*35*	**569**	**1081**	*90*	**317**	**398**	*26*	810	918	*13*
	Germany	**160**	**197**	*23*	**346**	**427**	*23*	35	21	*-40*	189	73	*-61*
	Italy	26	13	*-51*	36	127	*249*	107	107	*0*	**223**	**306**	*37*
	Netherlands	43	63	*47*	**44**	**259**	*485*	**112**	**190**	*69*	**277**	**397**	*43*
0306	EU-28	277	270	*-2*	569	487	*-14*	**193**	**92**	*-52*	336	400	*19*
	France	180	174	*-3*	313	368	*17*	**185**	**88**	*-52*	**324**	**391**	*21*
0307	EU-28	839	766	*-9*	2476	2374	*-4*	**134**	**373**	*178*	**552**	**911**	*65*
	Croatia	**162**	**123**	*-24*	**305**	**386**	*27*	5	23	*360*	**141**	**100**	*-29*
	France	138	137	*-1*	**338**	**241**	*-29*	24	34	*42*	109	57	*-48*
	Italy	**203**	**136**	*-33*	642	625	*-3*	**31**	**237**	*665*	**75**	**466**	*522*
1604	EU-28	54661	46041	*-16*	**110089**	**82362**	*-25*	39252	34809	*-11*	72223	75551	*5*
	Austria	**231**	**350**	*51*	586	637	*9*	**84**	**274**	*226*	**234**	**721**	*209*
	Belgium	2396	1962	*-18*	**4003**	**2898**	*-28*	**1397**	**856**	*-39*	**2604**	**1948**	*-25*
	Cyprus	73	43	*-41*	**194**	**76**	*-61*	27	26	*-4*	**73**	**283**	*290*
	Czech Rep.	**777**	**1447**	*86*	**1062**	**2554**	*141*	**152**	**107**	*-29*	**280**	**356**	*27*
	Denmark	**661**	**419**	*-37*	**1217**	**635**	*-48*	**220**	**100**	*-55*	478	479	*0*
	Finland	**758**	**946**	*25*	**2240**	**1488**	*-34*	**701**	**332**	*-53*	**1236**	**504**	*-59*
	France	**5251**	**2630**	*-50*	**7853**	**4377**	*-44*	63	47	*-24*	**226**	**472**	*109*
	Italy	**768**	**565**	*-26*	**1478**	**1184**	*-20*	2618	2671	*2*	4869	4868	*0*
	Lithuania	0	18	-	**228**	**71**	*-69*	18	34	*91*	91	141	*55*
	Malta	215	244	*13*	**567**	**329**	*-42*	96	155	*63*	**172**	**366**	*113*
	Netherlands	**4309**	**2772**	*-36*	**9178**	**5897**	*-36*	2584	2945	*14*	**4551**	**7464**	*64*
	Poland	539	559	*4*	**1102**	**838**	*-24*	**316**	**220**	*-30*	**721**	**1282**	*78*
	Portugal	**84**	**102**	*22*	**280**	**129**	*-54*	16	16	*0*	31	16	*-50*
	Romania	**134**	**34**	*-75*	**232**	**119**	*-49*	**28**	**104**	*274*	**28**	**597**	*2032*
	Slovakia	**113**	**246**	*118*	**145**	**444**	*206*	65	0	*-100*	**80**	**286**	*258*
	Slovenia	**103**	**36**	*-65*	**153**	**70**	*-54*	0	0	-	0	12	-
	Sweden	621	579	*-7*	**1992**	**850**	*-57*	**167**	**253**	*52*	**360**	**609**	*69*
	UK	16930	15196	*-10*	**37396**	**25722**	*-31*	**13073**	**8610**	*-34*	**24065**	**18416**	*-23*

Notes:
Figures in bold indicate fluctuations of ±20% pre- and post-1 January 2010/carding decision(s) where annual imports of the commodity concerned to the individual MS exceeded 100 tonnes (see Methodology for further discussion of thresholds).

GUINEA

Highlights:

- The European Commission adopted emergency measures suspending imports of fishery products from Guinea in February 2007 due to non-compliance with EU health requirements.
- A Council Decision suspending the provisional application of an EU FPA with Guinea was adopted in December 2009.
- **Italy** was the only MS to routinely import fisheries products from Guinea after February 2007. Due to the suspension of imports, these products could not have been caught by Guinean vessels, or stored/processed in Guinean plants, to be authorised for export to the EU. However, it is not possible to discern the flag State of the catching vessel from data in Eurostat.
- **Italy** reported imports of molluscs, frozen fish and crustaceans from Guinea following the red card in November 2013, with smaller volumes imported following the blacklisting decision in March 2014. Commodities included cuttlefish, octopus, sole, hake, and shrimps/prawns.

Background

Guinea was pre-identified (yellow-carded) by the European Commission in November 2012[113], and subsequently identified (red-carded) in November 2013[114], for failing to discharge its coastal and flag State obligations under international law to combat IUU fishing. Shortcomings cited by the Commission included Guinea's failure to ensure compliance by its vessels with RFMO CMMs; to sanction recurrent IUU fishing activities by vessels operating in its waters; and to monitor VMS for Guinean vessels operating on the high seas and for foreign vessels within Guinean waters.

The EU Council of Ministers listed Guinea as a non-cooperating third country in March 2014[115], following which EU vessels were no longer permitted to operate in Guinea's waters. Guinea was removed from the list of non-cooperating third countries in October 2016[116].

In February 2007, the European Commission adopted emergency measures suspending imports of all fishery products from Guinea intended for human consumption due to non-compliance with EU health requirements[117]. These measures remained in place at the end of 2016.

In December 2009, the Council adopted a decision[118] suspending the provisional application of a fisheries partnership agreement (FPA) with the Republic of Guinea, citing the crackdown on political demonstrators in Conakry on 28 September 2009 and subsequent human rights violations. A fisheries protocol[119] to the EU-Republic of Guinea FPA[120] had been provisionally applied since 1 January 2009, pending the final conclusion of the agreement[121].

Guinea's fleet fishes primarily in the Guinean EEZ and, to a lesser extent, in the EEZ of Guinea-Bissau and in neighbouring high seas areas of the Eastern Central Atlantic[122].

Analysis of import data

Italy was the only MS to routinely import fisheries products from Guinea after the adoption of emergency measures suspending imports to the EU in February 2007. As Guinean vessels, cold stores and processing plants were not authorised to handle fisheries products for export to the EU during this period, catches may have originated from other flagged vessels and been transhipped in Guinea's ports for onward transport to Italy. However, products that do not enter the customs territory of the port State (in this case Guinea) would normally be reported as an export from the flag State of the catching vessel, as opposed to an export from the port State.

Italy continued to report imports from Guinea following the red card in November 2013, with small volumes also imported following the Council decision in March 2014. Trade then ceased up to the delisting of Guinea in October 2016.

113 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C:2012:354:FULL&from=EN
114 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013D1127(01)&from=EN
115 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014D0170&from=EN
116 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016D1818&from=EN
117 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32007D0082&from=EN
118 http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32009D1016
119 http://eur-lex.europa.eu/resource.html?uri=cellar:0f5b906e-c27f-4787-a0cc-d9cffe0d4771.0008.02/DOC_2&format=PDF
120 http://eur-lex.europa.eu/resource.html?uri=cellar:0f5b906e-c27f-4787-a0cc-d9cffe0d4771.0008.02/DOC_1&format=PDF
121 Council of the European Union, press release, 2988th Council meeting, Environment, Brussels, 22 December 2009. 17764/2/09 REV 2 (Presse 392)
122 http://www.seaaroundus.org/data/#/fishing-entity/76?chart=catch-chart&dimension=eez&measure=tonnage&limit=10. Accessed 22 June 2017.

Imports of molluscs (0307) reported by Italy, primarily cuttlefish and octopus, totalled 2600 tonnes between February 2007 and May 2014 (Figure 1g). Imports of frozen fish, including sole and hake, during the same period totalled 2517 tonnes (Figure 2g). Similar trends were also seen for crustaceans, mainly frozen shrimps and prawns (Figure 3g).

Portugal was the only other MS to report imports of fisheries products from Guinea after February 2007, importing 20 tonnes of frozen skipjack in October 2012, the month prior to the yellow card.

An overview of fluctuations in MS imports of seafood from Guinea following the entry into force of the EU IUU Regulation and carding decisions is provided in Table G.

Figure 1g: Monthly imports of molluscs (0307) from Guinea reported by Italy

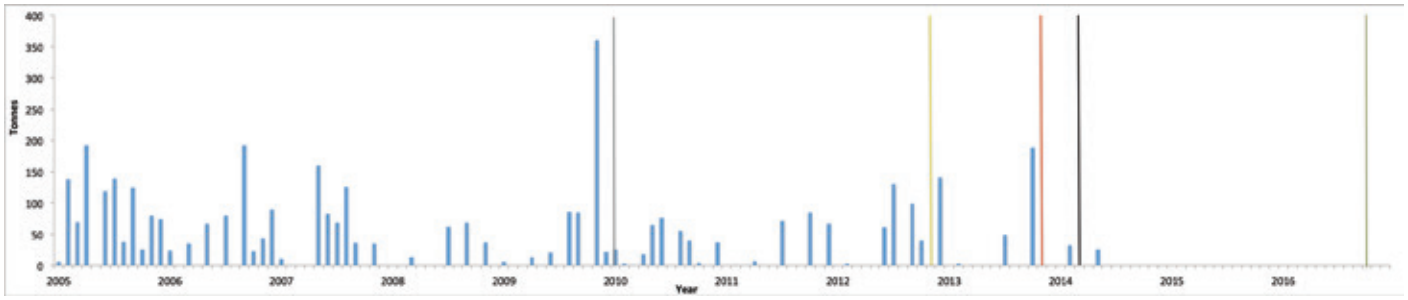


Figure 2g: Monthly imports of frozen fish (0303) from Guinea reported by Italy

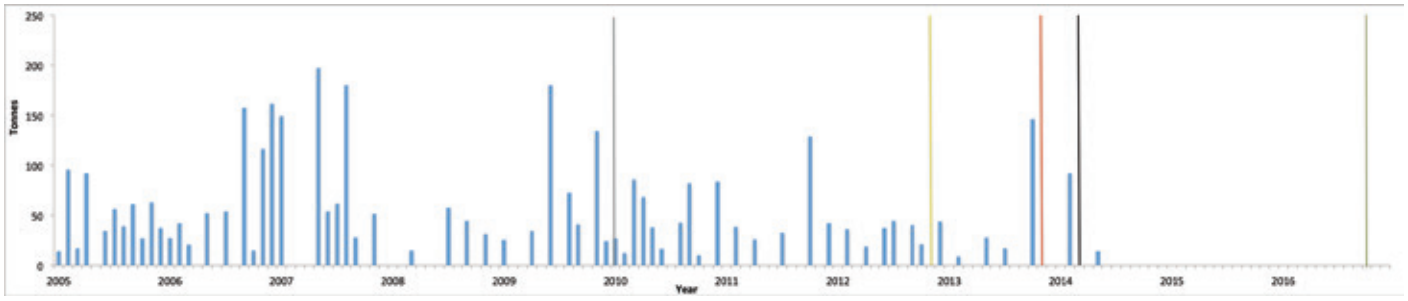
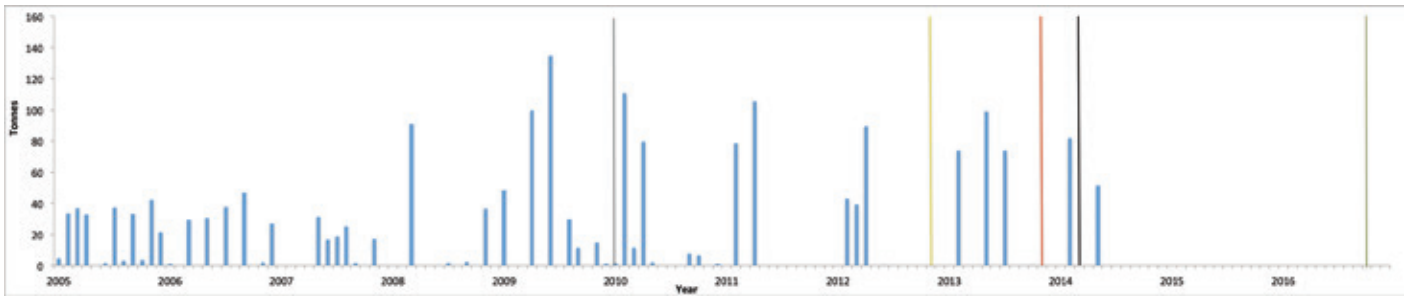


Figure 3g: Monthly imports of crustaceans (0306) from Guinea reported by Italy



Note: The entry into force of the IUU Regulation and the dates of the carding decisions are marked as vertical coloured lines (grey, yellow, red, black and green).

Table G: Fluctuations in member state imports of seafood from Guinea following entry into force of the EU IUU Regulation, and carding decisions

Commodity	Member state	Imports 1 year pre-Reg (tonnes)	Imports 1 year post-Reg (tonnes)	% change	Import 2 years pre-Reg (tonnes)	Imports 2 years post-Reg (tonnes)	% change	Imports 1 year pre-yellow card (tonnes)	Imports 1 year post-yellow card (tonnes)	% change	Imports 2 years pre-yellow card (tonnes)	Imports 2 years post-yellow card (tonnes)	% change
0303	EU-28	512	466	*-9*	661	735	*11*	261	244	*-7*	**571**	**350**	*-39*
	Italy	512	466	*-9*	661	735	*11*	241	244	*1*	**550**	**350**	*-36*
0306	EU-28	**340**	**220**	*-35*	470	404	*-14*	**172**	**247**	*44*	357	380	*6*
	Italy	**340**	**220**	*-35*	470	404	*-14*	**172**	**247**	*44*	357	380	*6*
0307	EU-28	**591**	**323**	*-45*	**771**	**553**	*-28*	**398**	**381**	*-4*	**599**	**438**	*-27*
	Italy	**591**	**323**	*-45*	**771**	**553**	*-28*	398	381	*-4*	**599**	**438**	*-27*

Notes:
Figures in bold indicate fluctuations of ±20% pre- and post-1 January 2010/carding decision(s) where annual imports of the commodity concerned to the individual MS exceeded 100 tonnes (see Methodology for further discussion of thresholds).

SOLOMON ISLANDS

Highlights:

- Annual EU imports of seafood increased after 2011, which primarily concerned prepared and preserved tuna.
- Fluctuations in imports of prepared and preserved tuna were observed for several MS, including: (i) a sudden and random peak in imports reported by **France** following the yellow card in January 2015; (ii) increased imports to **Italy** prior to and following the yellow card; (iii) a peak in imports reported by **Spain** just prior to the yellow card.

Background

The Solomon Islands was pre-identified (yellow-carded) by the European Commission in December 2014 for failing to discharge its obligations as coastal and market State to combat IUU fishing[123]. Shortcomings cited by the Commission included a lack of control over information in catch certificates for exports to the EU, and the inability of authorities to ensure that fishery products entering the Solomon Islands or its processing plants did not stem from IUU fishing. The pre-identification decision was lifted in February 2017[124].

The EEZ of the Solomon Islands supports an economically significant tuna fishery[125]. The total purse seine catch was 107,629 metric tonnes in 2013 and 66,595 metric tonnes in 2014, representing 5.6% and 3.2% of the total purse seine tuna catch in the WCPO during these years[126]. The total longline catch was 18,698 metric tonnes in 2013 and 40,754 metric tonnes in 2014, representing 7.7% and 15.1% of the total WCPO longline tuna catch[127].

An FPA was concluded between the EU and the Solomon Islands in October 2009[128] and renewed for three years in 2012. However, since 9 October 2012, there has been no Protocol in force to allocate fishing opportunities to EU vessels under the FPA. In recent years, vessels flagged to Japan, the US and PNG, among others, have operated in the Solomon Islands' EEZ[129]. The Solomon Islands is host to a large tuna canning/loining operation based on Noro, with a total volume processed in the country of 15,200 metric tonnes in 2013[130]. A plant in Honiara produces smaller quantities of fresh/frozen whole fish[131].

In 2011, major export destinations for fisheries products from the Solomon Islands were China (around 50%), Spain (12%), and Thailand (7%). All of Solomon Islands' cooked tuna loin exports were sent to Italy, while whole round tuna exports (canning-grade skipjack and yellowfin) were exported to Thailand[132].

As a Least Developed Country (LDC), the Solomon Islands benefits from EU support via the 'Everything But Arms' scheme, which offers duty free and quota free access for all products (except arms) to the EU market[133]. The EU is currently negotiating a comprehensive EPA with the countries of the Pacific region, including the Solomon Islands[134].

Analysis of import data

The major seafood commodities imported by the EU MS from the Solomon Islands during the period 2005–2016 were prepared and preserved skipjack and yellowfin, in canned form and as loins, as well as smaller volumes of frozen yellowfin for further processing[135].

Exports of seafood from the Solomon Islands to the EU increased from 2011 (Figure 1h), with a peak in 2015 according to importer reported data in Eurostat. Average annual exports during the six-year period 2005–2010 were around 2165 tonnes, increasing to 5965 tonnes annually during the following six-year period. Export value followed a similar trend, with an average annual export value of around EUR 8.5 million during the period 2005–2010, increasing to EUR 30.4 million during 2011–2016 (Figure 2h).

Notable import fluctuations were observed for imports of prepared and preserved fish (1604), nearly all of which involved tuna (1604 14), in particular:

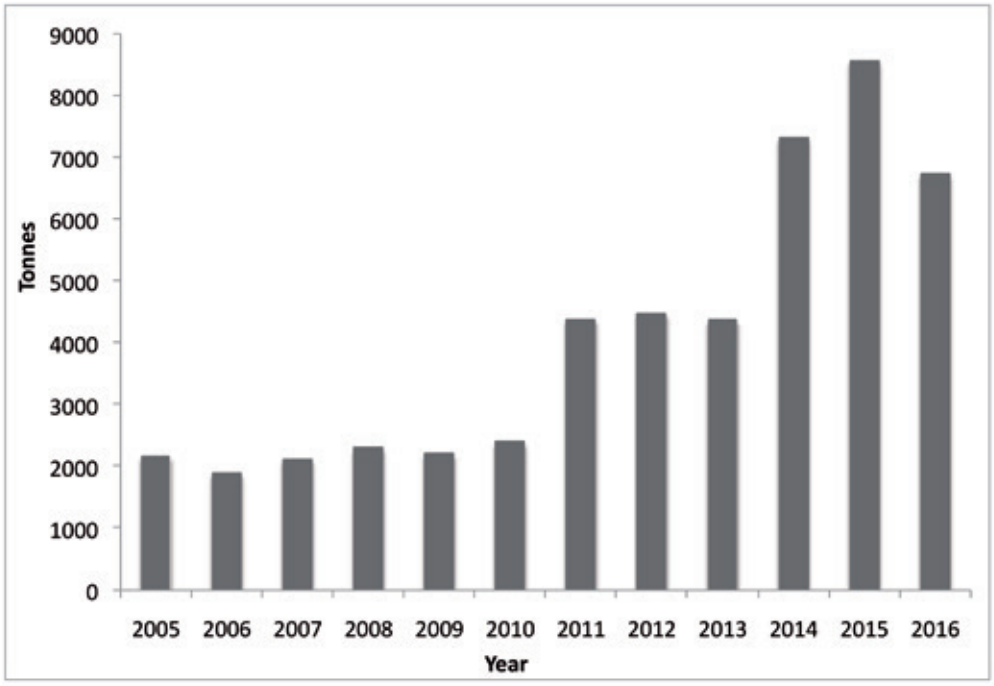
- France reported a sudden peak in imports following the yellow card: 115 tonnes in January 2015. This was the only import reported by France between January 2010 and the end of 2016 (Figure 3h).

123 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014D1213(01)&from=EN
124 https://ec.europa.eu/fisheries/fighting-illegal-fishing-commission-lifts-yellow-cards-cura%C3%A7ao-and-solomon-islands_en
125 https://ec.europa.eu/fisheries/sites/fisheries/files/docs/body/solomon_islands_2012_en.pdf
126 http://pubdocs.worldbank.org/en/858301461833983033/WB-PP-Tuna-Fisheries.pdf
127 Ibid.
128 https://ec.europa.eu/fisheries/cfp/international/agreements/solomon_islands
129 http://www.seaaroundus.org/data/#/eez/90?chart=catch-chart&dimension=country&measure=tonnage&limit=10. Accessed 23 June 2017.
130 FFA, 2014 cited in http://pubdocs.worldbank.org/en/858301461833983033/WB-PP-Tuna-Fisheries.pdf
131 http://pubdocs.worldbank.org/en/858301461833983033/WB-PP-Tuna-Fisheries.pdf
132 https://ec.europa.eu/fisheries/sites/fisheries/files/docs/body/solomon_islands_2012_en.pdf
133 http://trade.ec.europa.eu/doclib/docs/2009/january/tradoc_142192.pdf and http://trade.ec.europa.eu/doclib/docs/2016/january/tradoc_154180.pdf
134 http://ec.europa.eu/trade/policy/countries-and-regions/regions/pacific/
135 Eurostat.

- Imports to Italy increased by 37% in the two years following the yellow card (2015–2016), compared to the preceding two-year period (2013–2014) (Figure 4h).
- Spain began to import significant volumes of tuna from the Solomon Islands from early 2011 onwards (Figure 5h). Imports increased to 754 tonnes in 2010–11 compared to 67 tonnes in the period 2008–2009. Imports remained relatively stable immediately following the yellow card, but declined in the second half of 2016.

An overview of fluctuations in MS imports of seafood from the Solomon Islands following the entry into force of the EU IUU Regulation and carding decisions is provided in Table H.

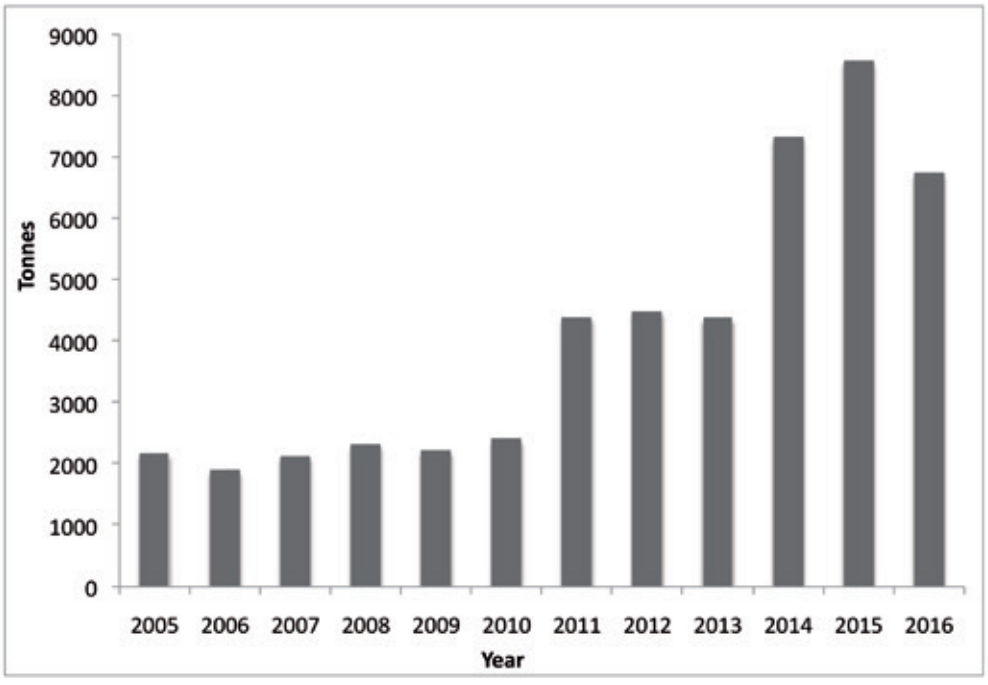
Figure 1h: Estimated volume of seafood* imports from the Solomon Islands reported by the EU-28 (2005–2016)



Source: Eurostat

*Estimated volume of products falling within the scope of the IUU Regulation. Calculated based on the methodology set out in DG MARE (2014): http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

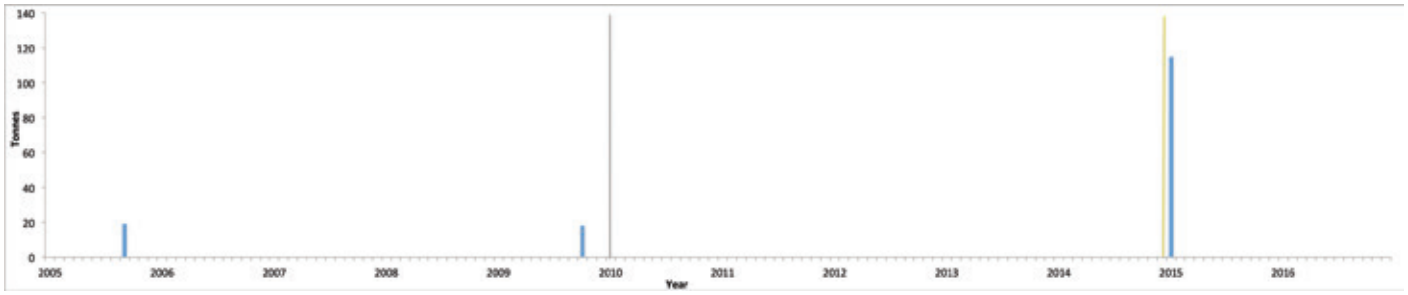
Figure 2h: Estimated value of seafood* imports from the Solomon Islands reported by the EU-28 (2005–2016)



Source: Eurostat

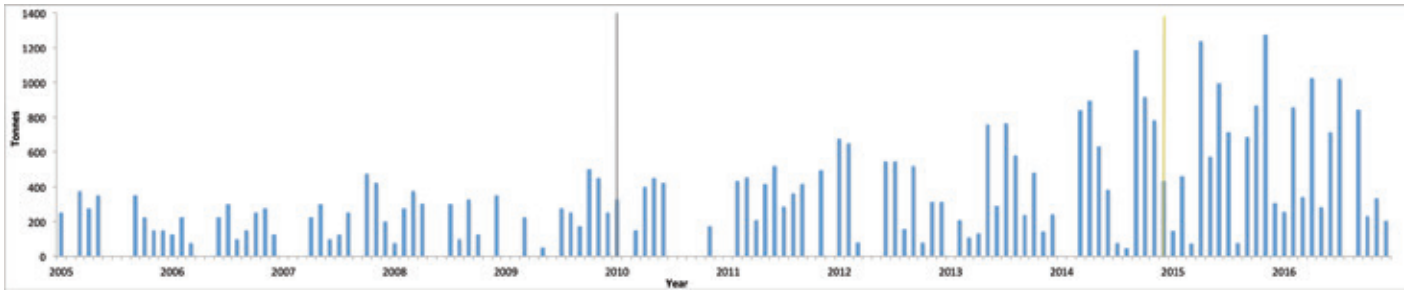
*Estimated value of products falling within the scope of the IUU Regulation. Calculated based on the methodology set out in DG MARE (2014): http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

Figure 3h: Monthly imports of prepared and preserved tuna* from the Solomon Islands reported by France



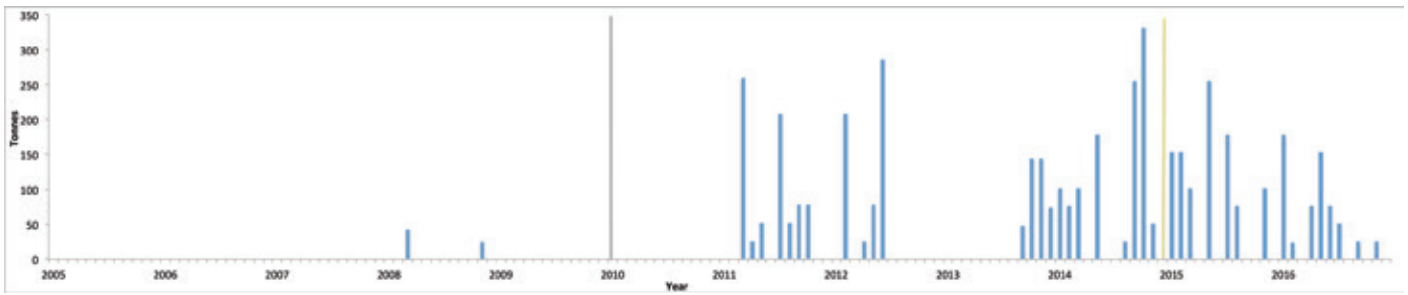
* Reported under HS6 code 1604 14 and CN8 code 1604 20 70

Figure 4h: Monthly imports of prepared and preserved tuna* from the Solomon Islands reported by Italy



* Reported under HS6 code 1604 14 and CN8 code 1604 20 70

Figure 5h: Monthly imports of prepared and preserved tuna* from the Solomon Islands reported by Spain



* Reported under HS6 code 1604 14 and CN8 code 1604 20 70

Note: The entry into force of the IUU Regulation and the date of the carding decision are marked as vertical coloured lines (grey and yellow).

Table H: Fluctuations in member state imports of seafood from the Solomon Islands following entry into force of the EU IUU Regulation, and carding decisions

Commodity	Member state	Imports 1 year pre-Reg (tonnes)	Imports 1 year post-Reg (tonnes)	% change	Imports 2 years pre-Reg (tonnes)	Imports 2 years post-Reg (tonnes)	% change	Imports 1 year pre-yellow card (tonnes)	Imports 1 year post-yellow card (tonnes)	% change	Imports 2 years pre-yellow card (tonnes)	Imports 2 years post-yellow card (tonnes)	% change
0303	EU-28	**0**	**452**	-	**0**	**452**	-	0	0	-			
	Italy	**0**	**452**	-	**0**	**452**	-	0	0	-	0	0	-
1604	EU-28	2194	1925	*-12*	**4488**	**6297**	*40*	**7189**	**8675**	*21*	**11541**	**15503**	*34*
	France	18	0	*-100*	18	0	*-100*	**0**	**115**	-	0	115	-
	Italy	2176	1925	*-12*	**4403**	**5515**	*25*	**5993**	**7540**	*26*	**10009**	**13736**	*37*
	Spain	0	0	-	**67**	**754**	*1025*	1196	1020	*-15*	1532	1630	*6*

Notes:
Figures in bold indicate fluctuations of ±20% pre- and post-1 January 2010/carding decision(s) where annual imports of the commodity concerned to the individual MS exceeded 100 tonnes (see Methodology for further discussion of thresholds).

SRI LANKA

Highlights:

- Annual EU imports of seafood declined from 2011, dropping significantly in 2015 following the import ban. This may be linked both to the IUU Regulation and to the temporary suspension of Sri Lanka's status as a GSP+ beneficiary from August 2010.
- Imports of fresh and chilled fish (e.g. yellowfin tuna) reported by the EU declined following a peak in early 2010, before increasing after the yellow card. **France** and **Italy** reported significant and sudden increases in imports prior to the red card in October 2014.
- **Italy** also reported an increase in imports of fresh and chilled swordfish fillets/meat following the yellow card, with a peak just prior to the import ban in January 2015.
- **Czech Republic** reported an increase in imports of fresh and chilled fillets/meat after April 2011, with a peak following the yellow card. **Poland** reported its first imports only after the yellow card.
- Imports of fresh and chilled fillets/meat continued to some MS (**France, Netherlands** and **Czech Republic**) following the ban on imports from Sri Lankan vessels. Products may have been caught by vessels from other States but landing in Sri Lankan ports, e.g. Sri Lankan vessels that reflagged to the Maldives following the import ban.

Background

Sri Lanka was pre-identified (yellow-carded) by the European Commission in November 2012 for failing to discharge its obligations under international law as flag State to take action to prevent, deter and eliminate IUU fishing[136]. The Commission Decision cited a lack of deterrent sanctions for the high seas fleet (>3000 vessels), a lack of compliance with international and regional fisheries rules, and shortcomings in implementation of control measures, such as VMS, catch reporting, inspection and licensing systems.

Sri Lanka was identified as a non-cooperating country in the fight against IUU fishing (red-carded) in October 2014[137]. However, to avoid disrupting ongoing commercial contracts, a ban on the import of fisheries products caught by Sri Lankan vessels into the EU was delayed until mid-January 2015, three months after the red card.

The EU Council of Ministers added Sri Lanka to the list of non-cooperating third countries in January 2015[138]. Sri Lanka was delisted in June 2016[139].

The EU is Sri Lanka's largest export market, accounting for nearly one-third of Sri Lanka's total global exports (all products)[140]. In 2010, the EU temporarily suspended preferential tariffs to Sri Lankan imports under the EU's GSP+ due to the government's failure to address human rights violations within the country. Sri Lankan exports reverted to standard GSP tariffs in August 2010[141]. The Sri Lankan government re-applied for GSP+ status in July 2016, and was granted access to the scheme in May 2017, eliminating tariffs on a wide range of Sri Lankan imports including fisheries[142].

From 2009, several UK seafood processors were engaged in a Fisheries Improvement Project (FIP) to support improvements in Sri Lanka's longline tuna fisheries[143]. Following the red card announcement, certain importers indicated that they would look instead to the Maldives for their sourcing[144]. A number of MS, including the Czech Republic and the Netherlands, reported an increase in CCs from the Maldives following the import ban, which was attributed, in part, to the reflagging of Sri Lankan vessels to the Maldivian flag[145].

The Sri Lankan fleet fishes primarily in national waters, in the Indian EEZ and in the high seas areas of the Indian Ocean[146].

136 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C:2012:354:FULL&from=EN
137 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014D0715&from=EN
138 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015D0200&from=EN
139 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016D0992&from=EN
140 http://trade.ec.europa.eu/doclib/press/index.cfm?id=1663
141 http://trade.ec.europa.eu/doclib/press/index.cfm?id=515
142 http://trade.ec.europa.eu/doclib/press/index.cfm?id=1663
143 http://www.colombopage.com/archive_14B/Oct20_1413816040CH.php
144 Ibid.
145 http://www.iuuwatch.eu/wp-content/uploads/2017/03/IUU_Import-controls_report_ENG.pdf
146 http://www.seaaroundus.org/data/#/fishing-entity/29?chart=catch-chart&dimension=eez&measure=tonnage&limit=10. Accessed on 24 June 2017.

Analysis of import data

The main seafood commodities imported by the EU MS from Sri Lanka during the period 2005–2016 were fresh/chilled fillets of marine fish (reported to general product categories), frozen tuna fillets (genus *Thunnus* and skipjack), fresh/chilled yellowfin tuna, and fresh/chilled and frozen swordfish fillets[147]. The use of general product categories for trade reporting made it difficult to identify trends in some commodities.

Exports of seafood from Sri Lanka to the EU dropped in 2011 compared to preceding years, according to importer reported data in Eurostat (Figure 1i). Average annual exports during the period 2007–2010 were around 12,530 tonnes, compared to 6340 tonnes during the period 2011–2014. Export volumes declined again in 2015 and 2016, to 1150 tonnes and 2310 tonnes, respectively.

The value of seafood exports to the EU followed a similar trend (Figure 2i). Annual average exports declined from EUR 109.8 million during 2007–2010, to EUR 65.1 million during 2011–2014. In 2015 and 2016, the EU-28 reported seafood imports from Sri Lanka with a value of EUR 13.5 million and EUR 26.3 million, respectively.

An overview of fluctuations in MS imports of seafood from Sri Lanka following the entry into force of the EU IUU Regulation and carding decisions is provided in Table I.

(i) Fresh and chilled fish (0302)

Imports of fresh and chilled fish – including yellowfin tuna and products reported to general marine fish categories – peaked at 234 tonnes in February 2010, before declining up until the yellow carding decision in October 2012 (Figure 3i). Imports then increased again in the two-year period following the yellow card. Trends for the EU-28 mainly reflect imports for France, the top importer of fresh and chilled fish from Sri Lanka during the period 2005–2016.

The following MS reported notable import fluctuations:

- Imports to France increased by 192% to 1096 tonnes in the two-year period following the yellow card, compared to 375 tonnes reported in the preceding two-year period (Figure 4i).
- Imports to Italy increased by 171% to 275 tonnes (Figure 5i) and to the UK by 46% to 772 tonnes, in the same period (Figure 6i).

(ii) Fillets and meat (0304)

Imports of fish fillets and meat reported by the EU-28 declined after 2010 but then remained relatively stable between 2011 and the import ban (Figure 7i). This, however, masks differences in import flows across the MS:

- Imports to Italy increased by 27% to 2930 tonnes in the two years following the yellow card compared to the preceding two-year period (Figure 8i). Increases were particularly notable for fresh/chilled fillets and meat of swordfish (Figure 9i).
- Imports to the Netherlands remained stable in the year following the yellow card, before dropping suddenly throughout 2014. Imports increased again in January 2015, continuing following the January 2015 import ban and February 2015 blacklisting decision[148]. As the main commodities concerned fresh/chilled fillets and other meat (excluding toothfish and swordfish, or not elsewhere specified), it is unclear whether these imports fell within the scope of the IUU Regulation (Figure 10i).
- Imports to Spain declined to zero following the IUU Regulation's entry into force (Figure 11i).

France also reported continued imports from Sri Lanka after the import ban and blacklisting (Figure 12i). Again, the main commodities concerned were reported to general categories (fresh, chilled and frozen fillets/meat, excluding of swordfish and toothfish).

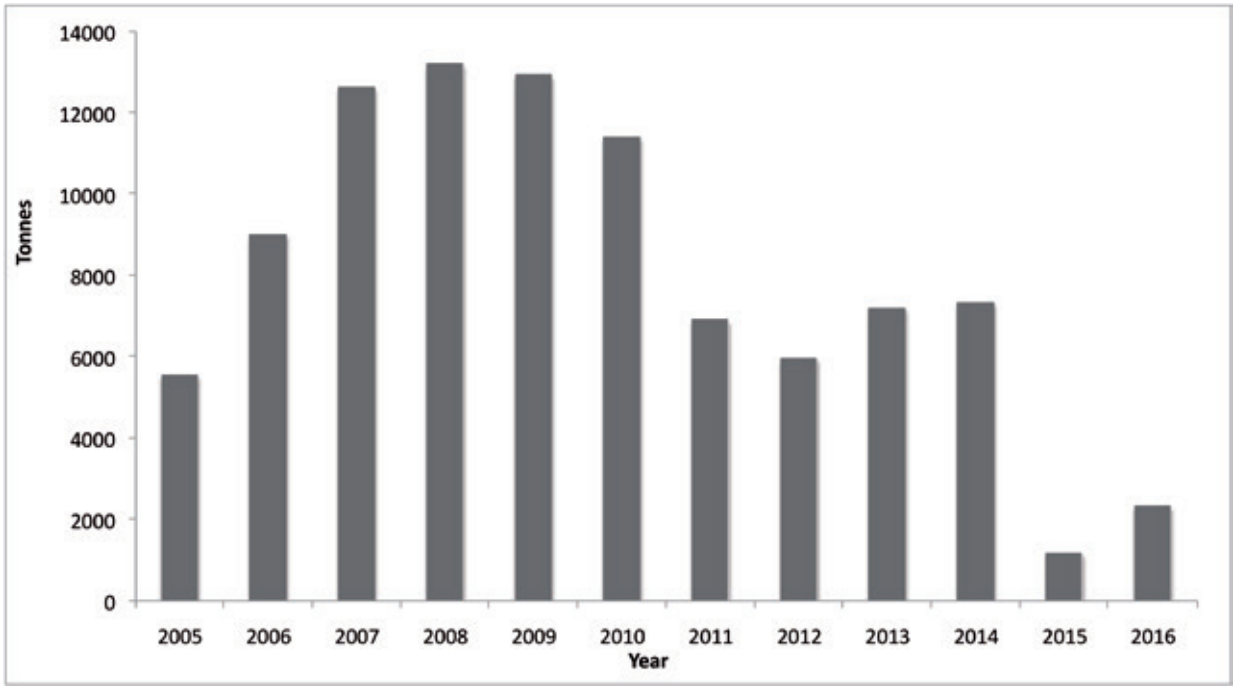
In addition, notable trends were observed for MS with smaller import quantities (below the annual 100 tonne threshold):

- Imports to the Czech Republic commenced after April 2011, peaking in the month after the yellow card (Figure 13i). Imports increased by 214% to 185 tonnes in the two years following the yellow card compared to 59 tonnes in the preceding two-year period. Trade continued after the import ban and blacklisting[149].
- Imports to Poland commenced only after the yellow card, with 114 tonnes reported in the two years following the yellow card (Figure 14i). Trade continued after the import ban and blacklisting.

For both the Czech Republic and Poland, the bulk of trade was reported under the general product category – fresh and chilled fish fillets, not elsewhere specified – with imports of fresh and chilled swordfish fillets/meat also reported by Poland.

147 Eurostat. Accessed 14 June 2017.
148 It is noted that imports reported in the Eurostat data following the import ban are not necessarily in contravention of the IUU Regulation. Products may, for example, have been caught by vessels flagged to other countries (e.g. the Maldives) but imported into Sri Lanka prior to re-export to the EU, or products reported to general categories may not fall within the scope of the IUU Regulation.
149 Ibid.

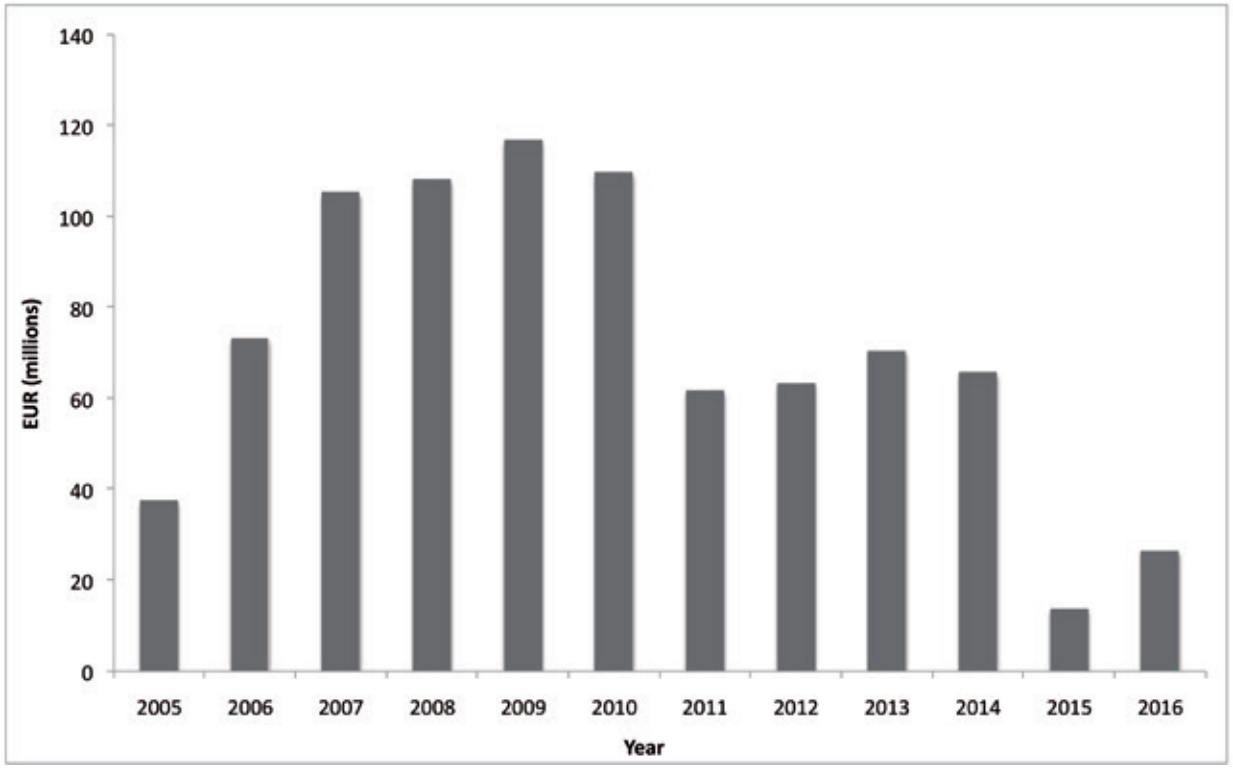
Figure 1i: Estimated volume of seafood* imports from Sri Lanka reported by the EU-28 (2005–2016)



Source: Eurostat

*Estimated volume of products falling within the scope of the IUU Regulation. Calculated based on the methodology set out in DG MARE (2014): http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

Figure 2i: Estimated value of seafood* imports from Sri Lanka reported by the EU-28 (2005–2016)



Source: Eurostat

*Estimated value of products falling within the scope of the IUU Regulation. Calculated based on the methodology set out in DG MARE (2014): http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

Figure 3i: Monthly imports of fresh and chilled fish (0302) from Sri Lanka reported by the EU-28

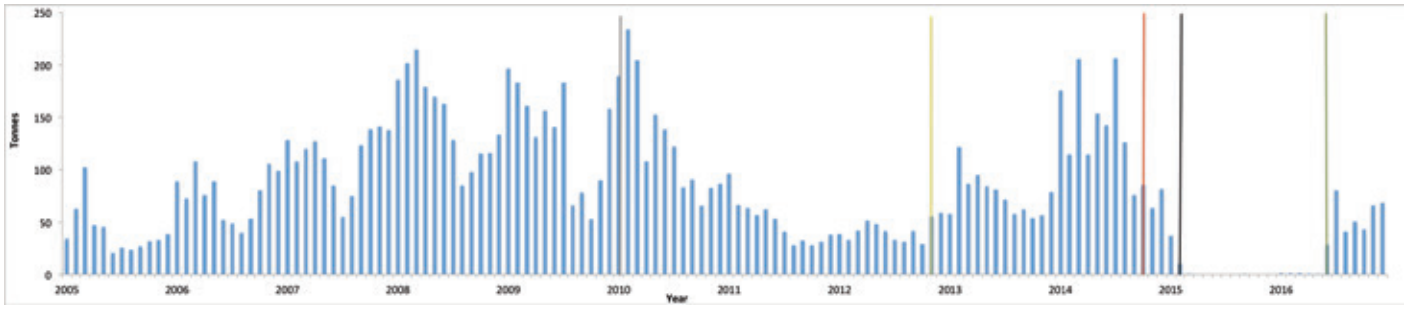


Figure 4i: Monthly imports of fresh and chilled fish (0302) from Sri Lanka reported by France

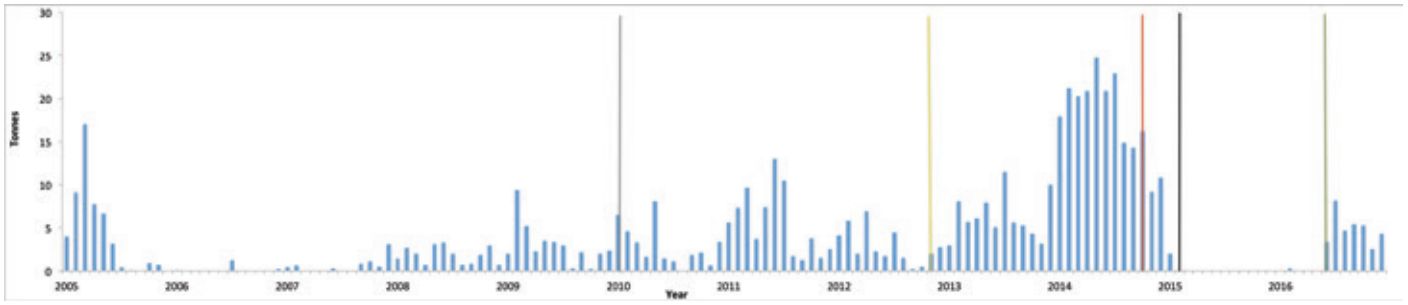


Figure 5i: Monthly imports of fresh and chilled fish (0302) from Sri Lanka reported by Italy

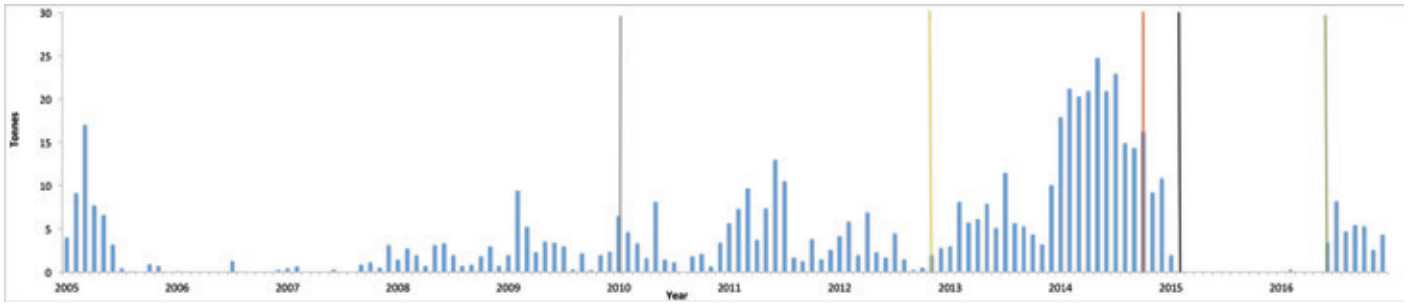
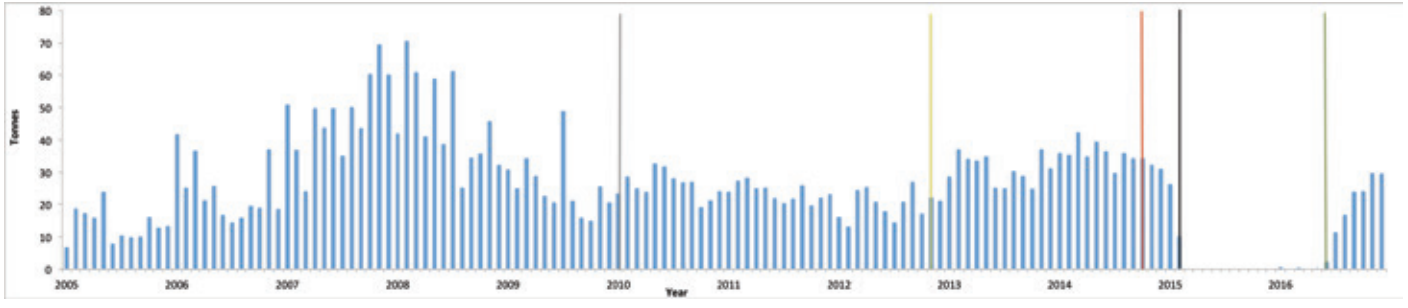


Figure 6i: Monthly imports of fresh and chilled fish (0302) from Sri Lanka reported by the UK



Note: The entry into force of the IUU Regulation and the dates of the carding decisions are marked as vertical coloured lines (grey, yellow, red, black and green).

Figure 7i: Monthly imports of fish fillets and meat (0304) from Sri Lanka reported by the EU-28

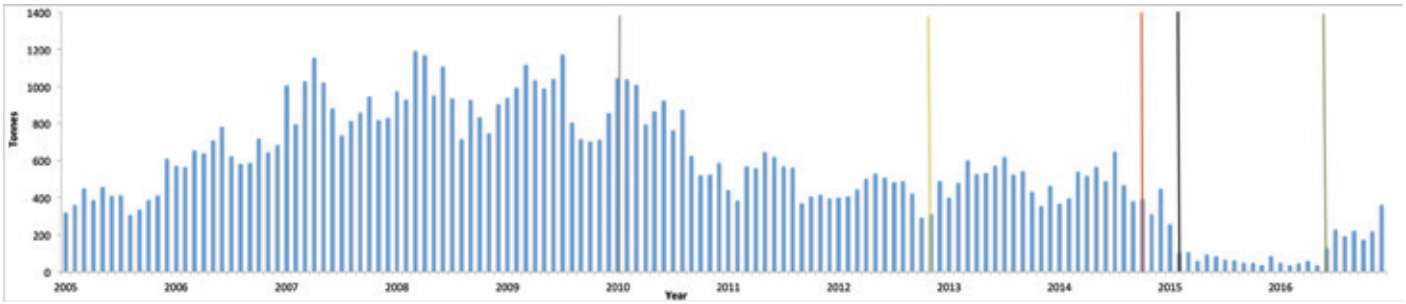


Figure 8i: Monthly imports of fish fillets and meat (0304) from Sri Lanka reported by Italy

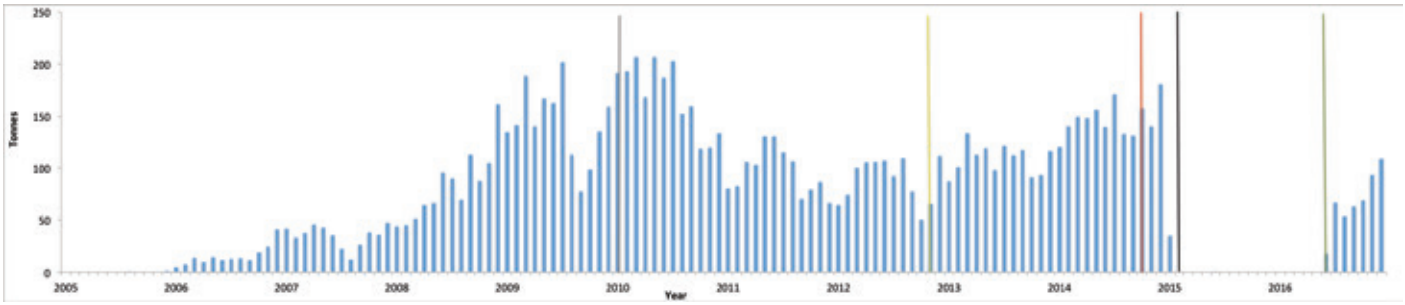
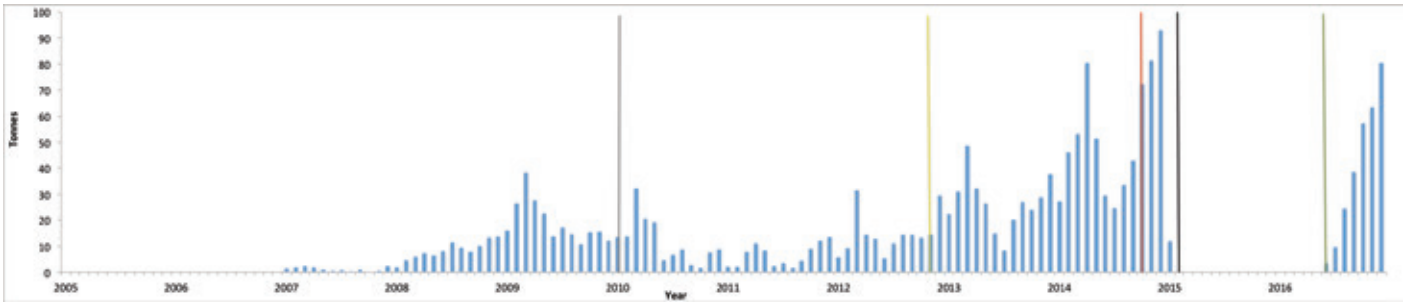


Figure 9i: Monthly imports of fresh and chilled swordfish fillets and meat* from Sri Lanka reported by Italy



*Reported under codes 0304 11 10 (2007–2011), 0304 11 90 (2007–2011), 0304 45 (2012–), 0304 54 (2012-)

Figure 10i: Monthly imports of fish fillets and meat (0304) from Sri Lanka reported by the Netherlands

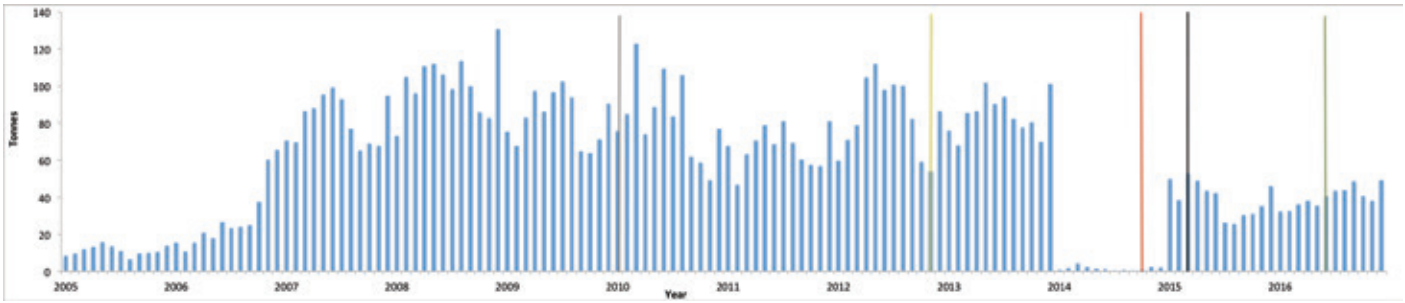


Figure 11i: Monthly imports of fish fillets and meat (0304) from Sri Lanka reported by Spain

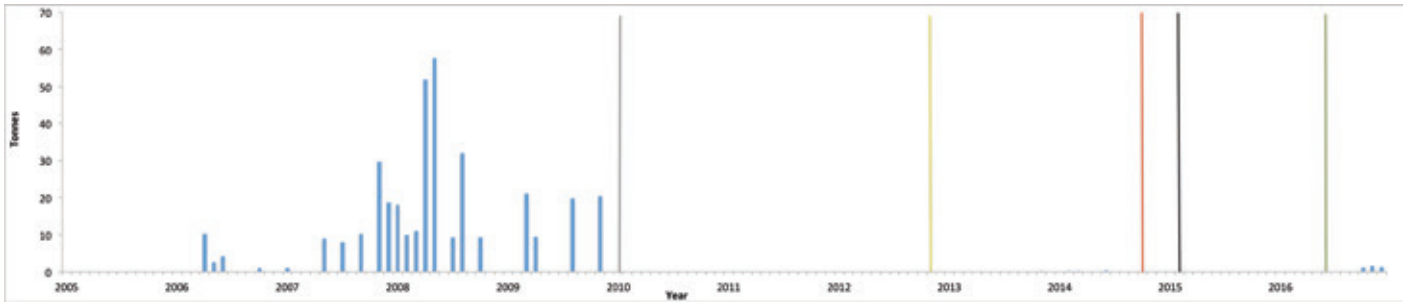


Figure 12i: Monthly imports of fish fillets and meat (0304) from Sri Lanka reported by France

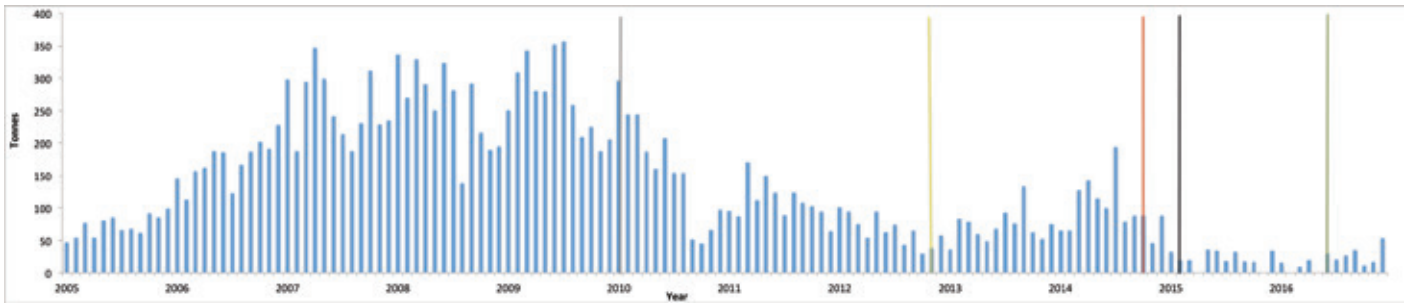


Figure 13i: Monthly imports of fish fillets and meat (0304) from Sri Lanka reported by the Czech Republic

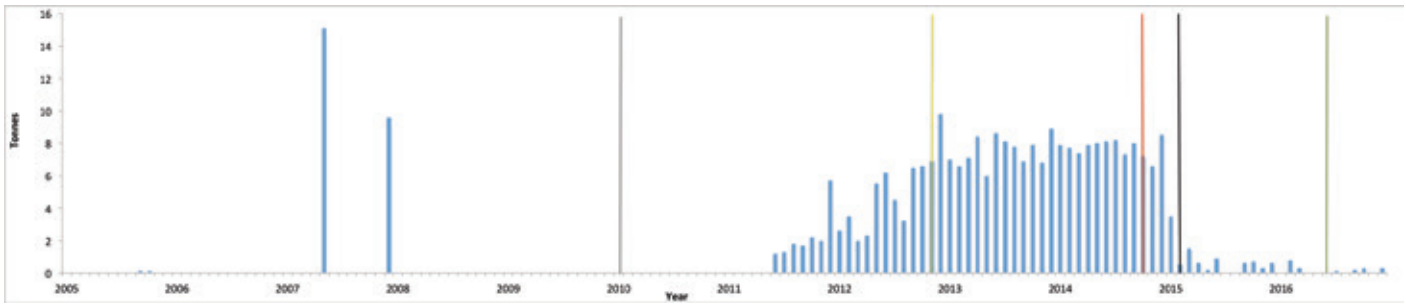


Figure 14i: Monthly imports of fish fillets and meat (0304) from Sri Lanka reported by Poland

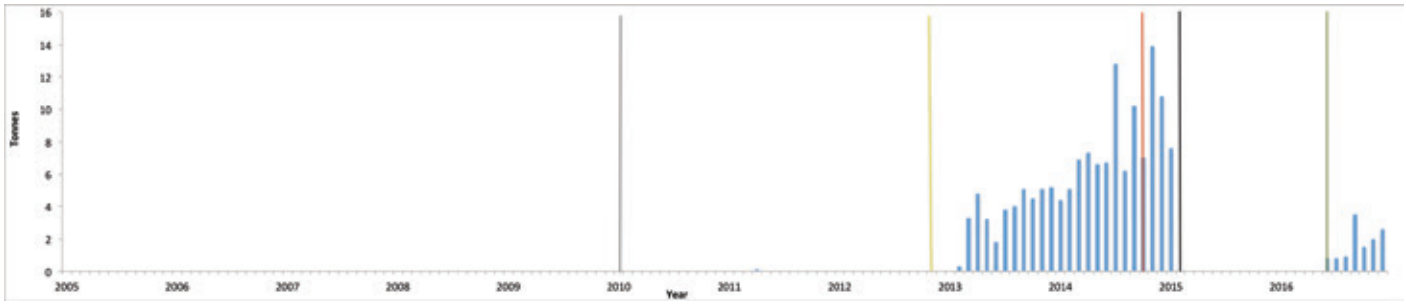


Table I: Fluctuations in member state imports of seafood from Sri Lanka following entry into force of the EU IUU Regulation, and carding decisions

Commodity	Member state	Imports 1 year pre-Reg (tonnes)	Imports 1 year post-Reg (tonnes)	% change	Import 2 years pre-Reg (tonnes)	Imports 2 years post-Reg (tonnes)	% change	Imports 1 year pre-yellow card (tonnes)	Imports 1 year post-yellow card (tonnes)	% change	Imports 2 years pre-yellow card (tonnes)	Imports 2 years post-yellow card (tonnes)	% change
0302	EU-28	1596	1556	*-3*	**3387**	**2153**	*-36*	**458**	**885**	*93*	**1155**	**2419**	*109*
	France	1028	966	*-6*	**2079**	**1133**	*-45*	**114**	**384**	*237*	**375**	**1096**	*192*
	Italy	36	35	*-4*	58	103	*76*	34	67	*101*	**102**	**275**	*171*
	Spain	**86**	**130**	*51*	110	131	*18*	1	6	*445*	1	91	*7442*
	UK	309	312	*1*	**856**	**597**	*-30*	**243**	**345**	*42*	**528**	**772**	*46*
0304	EU-28	11074	9568	*-14*	**22455**	**15499**	*-31*	5292	6024	*14*	11520	11606	*1*
	Belgium	**39**	**367**	*837*	**240**	**415**	*73*	**15**	**273**	*1720*	**178**	**359**	*102*
	France	**3256**	**1909**	*-41*	**6367**	**3228**	*-49*	851	835	*-2*	2176	2023	*-7*
	Germany	1970	1754	*-11*	**4109**	**3184**	*-23*	1376	1233	*-10*	2783	2457	*-12*
	Italy	1719	2039	*19*	2712	3198	*18*	**1040**	**1272**	*22*	**2299**	**2928**	*27*
	Netherlands	994	992	*0*	2208	1794	*-19*	1005	983	*-2*	**1795**	**1167**	*-35*
	Spain	71	0	*-100*	**270**	**0**	*-100*	0	0	-	0	1	-
	UK	2997	2497	*-17*	**6466**	**3645**	*-44*	**936**	**1300**	*39*	2205	2364	*7*
0306	EU-28	173	158	*-9*	**504**	**332**	*-34*	148	155	*5*	**294**	**429**	*46*
	UK	113	97	*-14*	**416**	**188**	*-55*	**99**	**121**	*21*	**183**	**275**	*50*

Notes:
Figures in bold indicate fluctuations of ±20% pre- and post-1 January 2010/carding decision(s) where annual imports of the commodity concerned to the individual MS exceeded 100 tonnes (see Methodology for further discussion of thresholds).

TAIWAN

Highlights:

- Annual EU imports of seafood declined slightly from 2010, fluctuating between 2300 and 5500 tonnes during the period 2010–2016.
- Imports of frozen swordfish reported by **Italy** increased suddenly prior to the yellow card in October 2015. Imports to Spain ceased around one year prior to the yellow card, whilst Portugal reported imports for the first time in May 2015.
- Imports of molluscs reported by the EU declined following the entry into force of the IUU Regulation but with variations between MS. **Spain**, for example, reported sudden peaks in trade following the yellow card, while regular imports to **France** ceased.

Background

Taiwan was pre-identified (yellow-carded) by the European Commission in October 2015 for failing to discharge its obligations under international law as flag, port, coastal and market State to take action to prevent, deter and eliminate IUU fishing[150]. The Commission decision cited serious deficiencies in Taiwan's legal framework governing fisheries and with regard to its system of sanctions for IUU fishing and MCS of its long-distance fleet[151]. Repeated cases of non-compliance with RFMO CMMs were noted. As a result of various failures, Taiwanese authorities lacked the information needed to certify the legality of imports and processed products destined for the EU. The pre-identification decision remained in place at the time of writing.

Taiwan has a significant long distance fishing fleet, numbering around 450 vessels of more than 100 gross tonnage (GT), and between 1,200 and 1,400 vessels of less than 100 GT[152]. Its longline fleet is one of the largest in the world[153]. Taiwan's fleet operates in the EEZs of more than 30 countries[154] and in all major oceans of the world[155]. Skipjack, bigeye and yellowfin tuna, mackerel and squid are key target species[156].

Products caught by Taiwanese vessels are generally sent from fishing grounds on the high seas or in coastal waters to Taiwan for further processing, or dispatched from Taiwanese trading companies to third countries for further processing[157]. Taiwan's tuna catch is mostly transported in frozen form for canning elsewhere, including to Thailand, Philippines and China[158]. The EU is Taiwan's fourth largest market (total exports) after China, the US and Japan[159].

Analysis of import data

The major seafood commodities imported by the EU MS from Taiwan during the period 2005–2016 were frozen mackerel, squid, yellowfin tuna and swordfish, as well as prepared tuna (in canned form and as loins)[160].

Exports of seafood from Taiwan to the EU declined during the period 2005–2010, due primarily to a decline in imports of frozen mackerel reported by Romania, Bulgaria, the Netherlands and Slovenia. Since 2010, between 2300 and 5500 tonnes of seafood have been imported by the EU from Taiwan annually, according to importer reported data in Eurostat, with the lowest volume reported in 2012 (Figure 1j). Export values followed a similar trend, peaking in 2005 at EUR 34.9 million (Figure 2j). After a low of EUR 7.9 million in 2012, increases were seen during the period 2013–2016 (average of EUR 15.5 million/annum). An overview of fluctuations in MS imports of seafood from Taiwan following the entry into force of the EU IUU Regulation and carding decisions is provided in Table J.

(i) Frozen fish (0303)

The following MS reported fluctuations in imports of frozen swordfish from Taiwan around the time of the October 2015 carding decision:

- Imports to Italy increased in the months before the yellow card, with monthly import volumes exceeding 100 tonnes for the first time in May 2015, and again between July and September 2015 (Figure 3j).
- Portugal reported imports of swordfish from Taiwan for the first time in May 2015, with a peak of 98 tonnes reported in October 2016 (Figure 4j).
- The last import reported by Spain prior to the carding decision was in August 2014. No additional imports were reported up to end 2016 (Figure 5j).

150 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015D1002(02)&from=EN
151 http://europa.eu/rapid/press-release_IP-15-5736_en.htm
152 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015D1002(02)&from=EN
153 http://www.seafish.org/media/publications/TaiwanEthicsProfile_201509.pdf
154 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015D1002(02)&from=EN
155 http://www.seaaroundus.org/data/#/fishing-entity/32?chart=catch-chart&dimension=highseas&measure=tonnage&limit=10. Accessed on 25 June 2017.
156 http://www.seafish.org/media/publications/TaiwanEthicsProfile_201509.pdf
157 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015D1002(02)&from=EN
158 http://www.seafish.org/media/publications/TaiwanEthicsProfile_201509.pdf
159 http://ec.europa.eu/trade/policy/countries-and-regions/countries/taiwan/
160 Eurostat. Accessed on 14 June 2017.

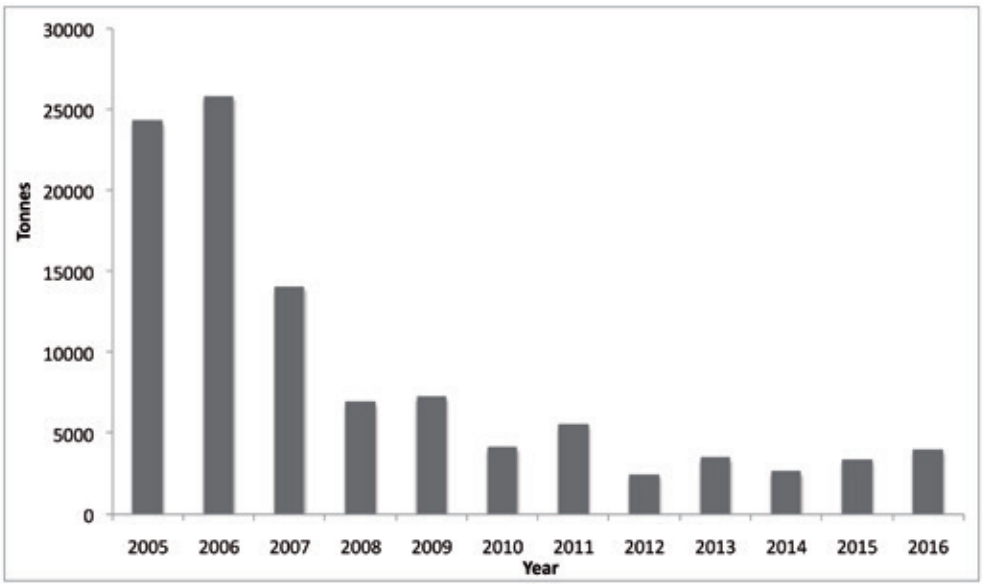
(ii) Molluscs (0307)

Imports of molluscs by the EU-28 declined by 43% following the entry into force of the IUU Regulation, from 9064 tonnes reported in 2008–2009, to 5160 tonnes in 2010–2011 (Figure 6j). The key imported products were cuttlefish and squid, as well as molluscs reported to general commodity codes. Denmark, Italy and Belgium reported notable declines from early 2010 (see Figures 7j, 8j and 9j). Imports to France declined following the yellow card (Figure 10j), but increased to Spain (Figure 11j).

(iii) Prepared and preserved fish (1604)

Imports of prepared and preserved fish reported by Germany increased by 64% in the year following the yellow card, with a peak of 55 tonnes arriving in June 2016 (Figure 12j). Imports were mainly reported to general prepared and preserved fish categories and as caviar substitutes, the latter excluded from the scope of the IUU Regulation.

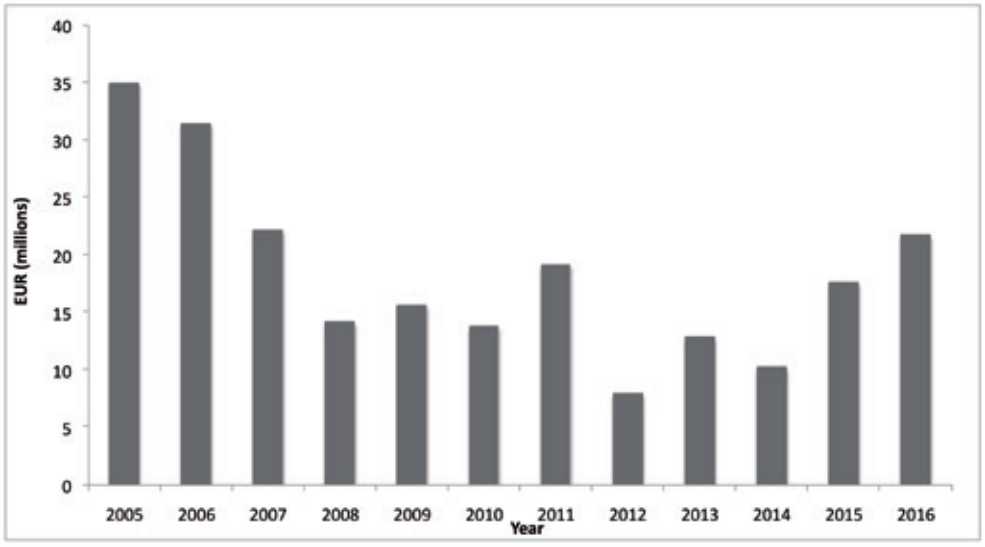
Figure 1j: Estimated volume of seafood* imports from Taiwan reported by the EU-28 (2005–2016)



Source: Eurostat

*Estimated volume of products falling within the scope of the IUU Regulation. Calculated based on the methodology set out in DG MARE (2014): http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

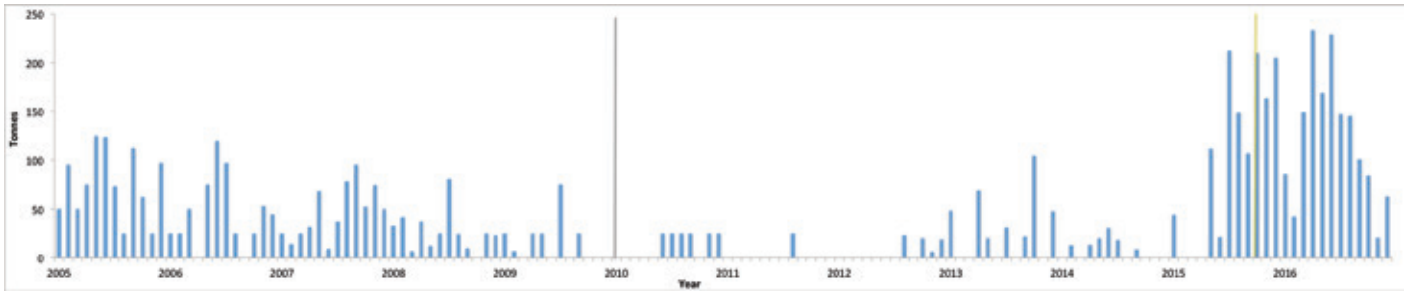
Figure 2j: Estimated value of seafood* imports from Taiwan reported by the EU-28 (2005–2016)



Source: Eurostat

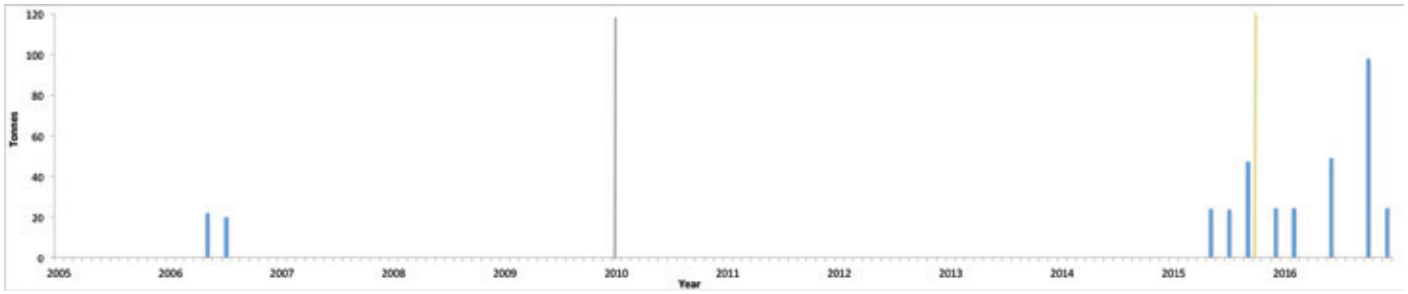
*Estimated value of products falling within the scope of the IUU Regulation. Calculated based on the methodology set out in DG MARE (2014): http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

Figure 3j: Monthly imports of frozen swordfish* from Taiwan reported by Italy



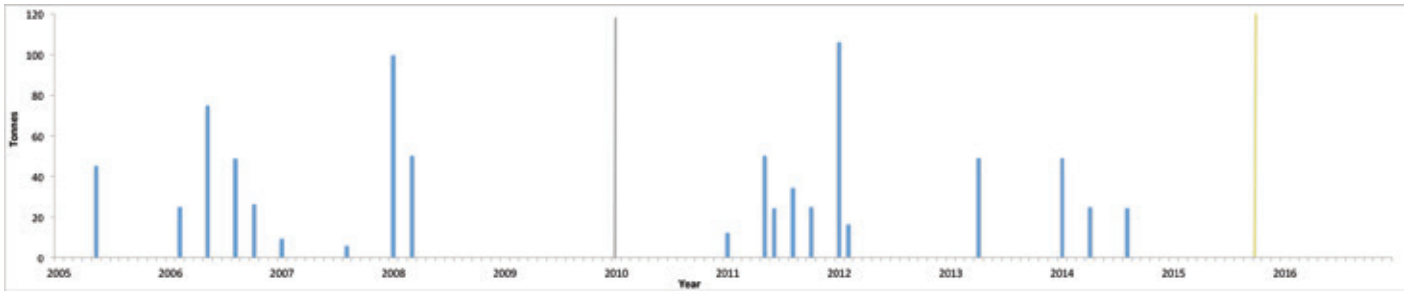
*Reported under 0303 79 87 (1991–2006), 0303 61 (2007–2011), 0303 57 (2012–)

Figure 4j: Monthly imports of frozen swordfish* from Taiwan reported by Portugal



*Reported under 0303 79 87 (1991–2006), 0303 61 (2007–2011), 0303 57 (2012–)

Figure 5j: Monthly imports of frozen swordfish* from Taiwan reported by Spain



*Reported under 0303 79 87 (1991–2006), 0303 61 (2007–2011), 0303 57 (2012–)

Figure 6j: Monthly imports of molluscs (0307) from Taiwan reported by the EU-28

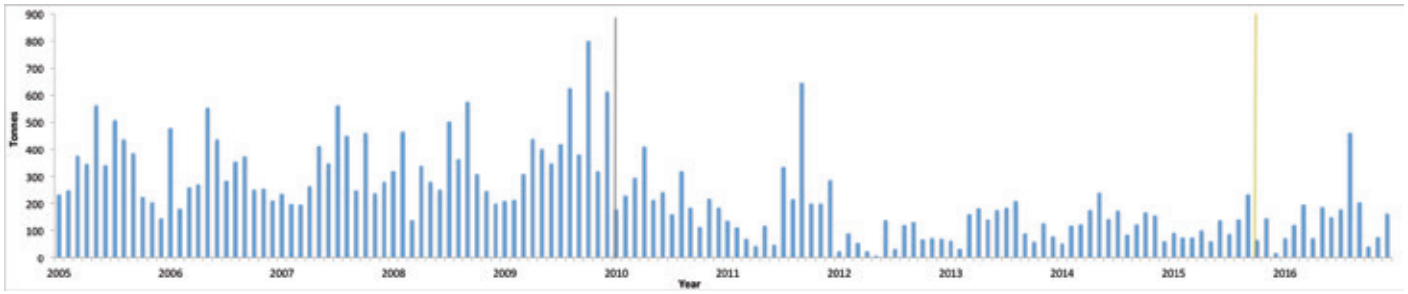
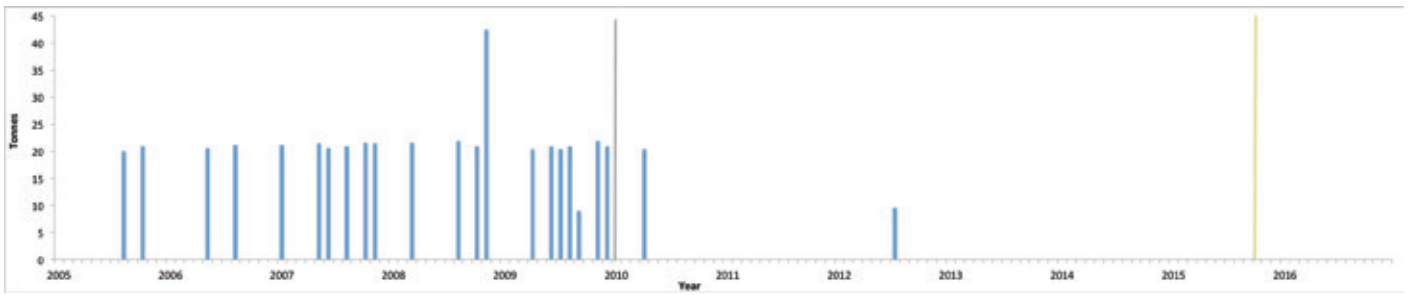


Figure 7j: Monthly imports of molluscs (0307) from Taiwan reported by Denmark



Note: The entry into force of the IUU Regulation and the date of the carding decision are marked as vertical coloured lines (grey and yellow).

Figure 8j: Monthly imports of molluscs (0307) from Taiwan reported by Belgium

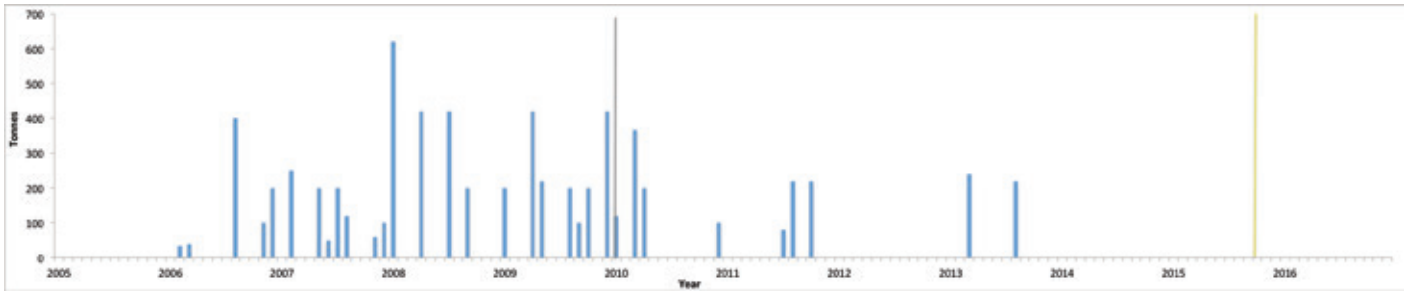


Figure 9j: Monthly imports of molluscs (0307) from Taiwan reported by Italy

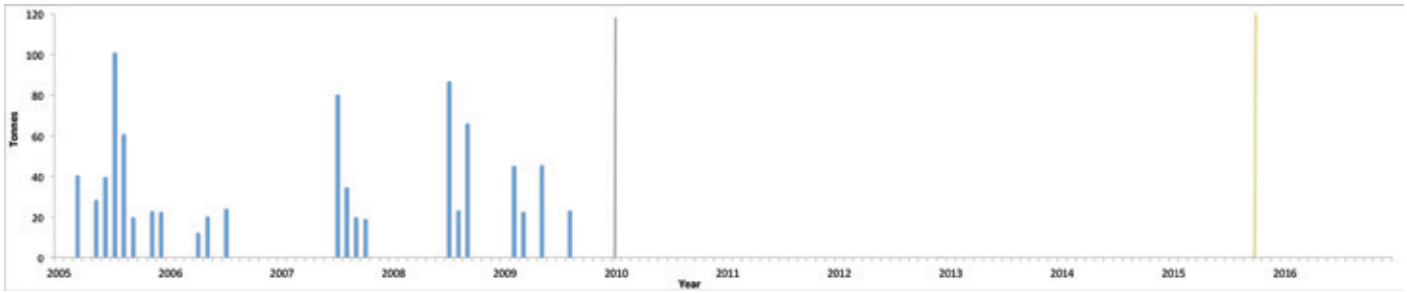


Figure 10j: Monthly imports of molluscs (0307) from Taiwan reported by France

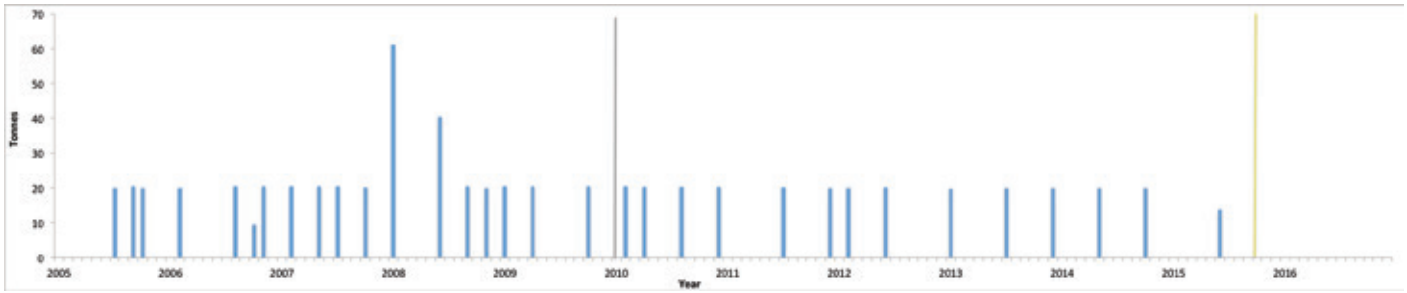


Figure 11j: Monthly imports of molluscs (0307) from Taiwan reported by Spain

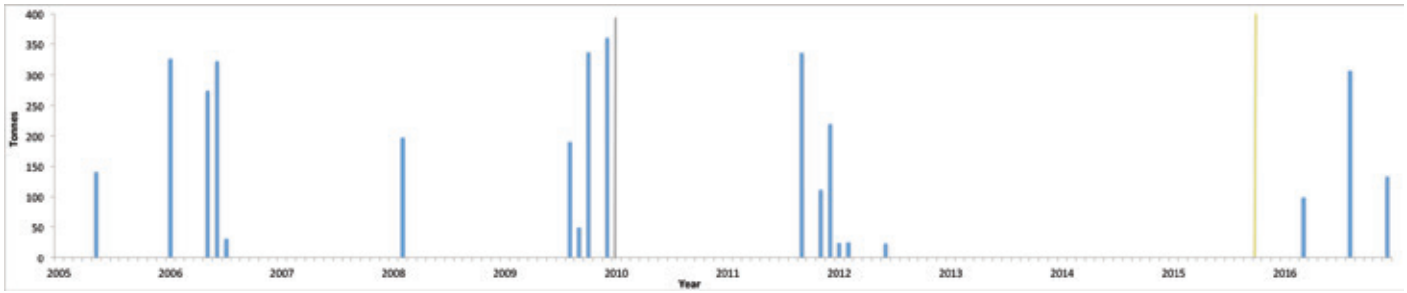


Figure 12j: Monthly imports of prepared and preserved fish (1604) from Taiwan reported by Germany

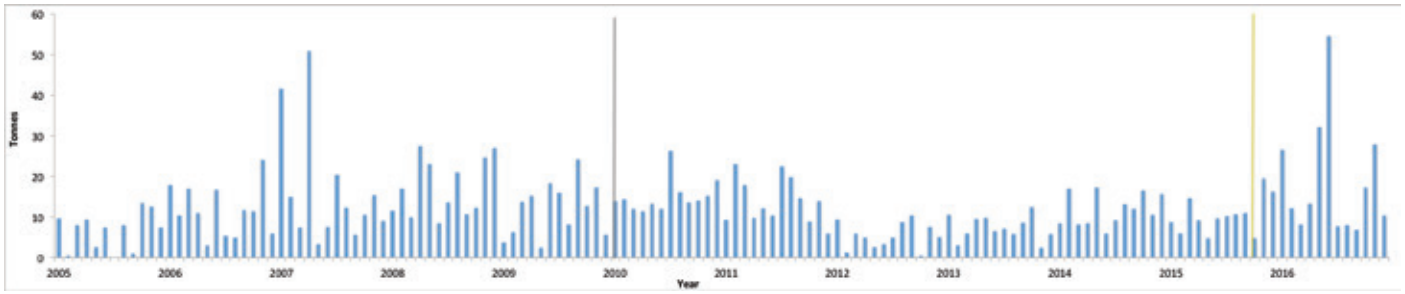


Table J: Fluctuations in member state imports of seafood from Taiwan following entry into force of the EU IUU Regulation, and carding decisions

Commodity	Member state	Imports 1 year pre-Reg (tonnes)	Imports 1 year post-Reg (tonnes)	% change	Imports 2 years pre-Reg (tonnes)	Imports 2 years post-Reg (tonnes)	% change	Imports 1 year pre-yellow card (tonnes)	Imports 1 year post-yellow card (tonnes)	% change	Imports 15 months pre-yellow card (tonnes)	Imports 15 months post-yellow card (tonnes)	% change
0303	EU-28	1901	1571	-17	**4909**	**3693**	-25	**845**	**2024**	140	**951**	**2352**	147
	Belgium	**6**	**140**	2233	**66**	**231**	251	0	0	-	0	0	-
	Bulgaria	**233**	**15**	-93	**437**	**83**	-81	52	0	-100	77	25	-67
	Italy	270	297	10	768	822	7	**645**	**1914**	197	**673**	**2082**	209
	Netherlands	**48**	**412**	757	**292**	**788**	170	2	0	-100	2	0	-100
	Portugal	0	0	-	0	0	-	95	98	3	**95**	**221**	132
	Romania	**1139**	**312**	-73	**2559**	**993**	-61	0	0	-	0	0	-
	Spain	**0**	**250**	-	**150**	**473**	216	0	0	-	25	0	-100
	UK	38	52	38	**278**	**104**	-63	0	0	-	0	0	-
0307	EU-28	**5076**	**2750**	-46	**9064**	**5160**	-43	**1385**	**1874**	35	**1766**	**2155**	22
	Belgium	**176**	**79**	-55	**342**	**131**	-62	0	0	-	0	0	-
	Denmark	**135**	**20**	-85	**242**	**20**	-92	0	0	-	0	0	-
	France	61	81	33	**203**	**122**	-40	34	0	-100	34	0	-100
	Italy	**137**	**0**	-100	**313**	**0**	-100	0	0	-	0	0	-
	Netherlands	**523**	**302**	-42	**916**	**504**	-45	**112**	**168**	51	144	168	17
	Spain	**938**	**0**	-100	**1135**	**667**	-41	**0**	**406**	-	**0**	**539**	-
	UK	**1262**	**732**	-42	**2658**	**1178**	-56	404	386	-4	**505**	**400**	-21
1604	EU-28	277	275	-1	**577**	**1810**	214	**833**	**360**	-57	**886**	**451**	-49
	France	0	8	-	3	39	1200	**605**	**8**	-99	**605**	**8**	-99
	Germany	**144**	**182**	26	351	350	0	**128**	**210**	64	**162**	**266**	64
	UK	45	15	-68	**91**	**1281**	1308	30	32	6	35	34	-4

Notes:
Figures in bold indicate fluctuations of ±20% pre- and post-1 January 2010/carding decision(s) where annual imports of the commodity concerned to the individual MS exceeded 100 tonnes (see Methodology for further discussion of thresholds).

THAILAND

Highlights:

- Thailand was removed from the list of GSP beneficiaries in January 2015, just prior to the yellow card in April 2015.
- Annual EU imports of seafood declined during the period 2012–2016.
- Imports of frozen fish, fish fillets/meat, and molluscs declined across the EU following the IUU Regulation's entry into force. Imports of crustaceans also declined, although the majority of these imports (*Penaeus* shrimps) likely fell outside of the scope of the IUU Regulation.
- Imports of prepared and preserved tuna remained relatively constant following the Regulation's entry into force, before declining following the yellow card. Variations were observed between MS, including increased import volumes reported by: (i) **Bulgaria** from early 2013; (ii) **the Netherlands** following the yellow card; and (iii) **Latvia** prior to and following the yellow card. **Portugal** also reported an anomalous peak in trade in January 2014.

Background

Thailand was pre-identified (yellow-carded) by the European Commission in April 2015 for failing to discharge its obligations as flag, coastal and market State to take action to prevent, deter and eliminate IUU fishing[161]. The Commission decision cited weaknesses including the absence of a deterrent sanctioning scheme for IUU fishing activities, deficiencies in MCS, and a lack of control over landings. Thailand had also failed to cooperate with third country flag States to verify the legality of tuna entering its processing plants and to ensure the effective implementation of the IUU Regulation CC scheme. The pre-identification decision remained in place at the time of writing.

Thailand's fishing fleet numbers around 40,000 vessels, of which 7,000 are classified as commercial vessels (each with a GT of >20 tonnes). The long-distance fleet comprises 10 longliners authorised to fish in the Indian Ocean Tuna Commission (IOTC) convention area, and 52 trawlers licenced to fish in the waters of PNG[162].

Thailand is one of the world's largest importers of fresh, chilled and frozen tuna, and one of the largest exporters of shrimp, canned tuna, squid and cuttlefish[163]. The majority of tuna imports are destined for processing in Thailand's canneries, with only a fraction of raw material supplied by Thailand's domestic fleet (around 2% in 2013)[164]. A number of different flag States supplied tuna to Thailand's 50 (approx.) tuna processing plants in 2008, including Taiwan, Japan, Indonesia and mainland China. Around 90% of imports originated from the WCPO, the remainder from the Western Indian Ocean[165].

Top export destinations for fish and seafood products from Thailand are the US, Japan, Australia, Canada and the UK[166]. Around 95% of total production from Thailand's canned tuna industry is destined for foreign markets, mainly Europe, Japan and the US[167]. Thailand is the world leader in canned tuna production, accounting for more than half of the total global trade[168].

Thailand's processing industry has been the major beneficiary of the EU Single Duty Loins Quota, introduced in 2004, that allows for a defined quantity of pre-cooked tuna loins to enter the EU each year on a duty free 'first-come, first-served basis'. For the period 2013–2015, the quota was 22,000 metric tonnes of loins, which is typically utilised by the end of the first quarter (although may be exhausted earlier)[169].

In recent years, concerns have been raised as regards the compliance of canned tuna products originating in Thailand with EU health and sanitary legislation. In 2012, this led to numerous consignments of canned tuna from Thailand being rejected at the EU border[170]. Further information on the reasons for the rejections may be found in the alerts shared between MS and with the European Commission via the EU's Rapid Alert System for Food and Feed (RASFF)[171].

161 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015D0429(02)&from=EN
162 Ibid.
163 FAO (2009) cited in: http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_474896.pdf
164 http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_474896.pdf
165 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015D0429(02)&from=EN
166 http://www.agr.gc.ca/resources/prod/Internet-Internet/MISB-DGSIM/ATS-SEA/PDF/6627-eng.pdf
167 http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_474896.pdf
168 Ibid.
169 https://www.ffa.int/system/files/FFA%20Trade%20and%20Industry%20News_Jan-Feb_2015_0.pdf
170 http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+WQ+P-2012-010740+0+DOC+XML+V0//EN
171 See: https://webgate.ec.europa.eu/rasff-window/portal/?event=searchResultList

The EU is Thailand's third largest trade partner (all products) after China and Japan. Negotiations for an EU-Thailand FTA were launched in March 2013, but have been suspended since the military takeover in Thailand in May 2014[172].

Thailand was removed from the list of GSP beneficiaries as of 1 January 2015 following its classification as an upper-middle income country for the third consecutive year in 2013[173].

Analysis of import data

The top seafood commodities imported by the EU MS from Thailand during the period 2005–2016 were prepared and preserved tuna (in canned form and as loins), frozen squid, preparations of surimi, frozen yellowfin, and prepared or preserved shrimps and prawns[174].

Imports of seafood from Thailand to the EU declined during the period 2012–2016, according to importer reported data in Eurostat (Figure 1k). Between 2005 and 2011, annual imports fluctuated between 161,000 tonnes and 207,000 tonnes. In 2012, MS imported 142,000 tonnes of seafood from Thailand, declining to 84,000 tonnes in 2016.

Annual value of imported seafood from Thailand to the EU peaked in 2011 at EUR 689 million, falling to EUR 368 million in 2016 (Figure 2k).

An overview of fluctuations in MS imports of seafood from Thailand following the entry into force of the EU IUU Regulation and carding decisions is provided in Table K.

(i) Frozen fish (0303)

Imports of frozen fish from Thailand to the EU declined following the IUU Regulation's entry into force (Figure 3k). Import volumes in 2010–11, were 75% lower than volumes in the preceding two-year period. Declines were seen across nearly all MS, for example: Bulgaria (-96%), France (-72%), Italy (-46%), the Netherlands (-53%), Spain (-95%) and the UK (-48%).

(ii) Fish fillets and meat (0304)

Imports of fish fillets and other meat from Thailand to the EU also declined during the period 2005–2016 (Figure 4k). Import volumes in 2010–2011 were 19% lower than in 2008–2009 and declined by a further 45% in the year following the yellow card. Imports to several MS followed this trend, for example:

- Germany: imports dropped by 45% in 2010–11 compared to 2008–2009 and by a further 9% in the year following the yellow card (Figure 5k).
- UK: imports dropped by 26% in 2010–11 compared to 2008–2009 and by a further 94% in the year following the yellow card (Figure 6k).
- Netherlands: imports dropped by 55% in 2010–11 compared to 2008–2009 and by a further 10% in the year following the yellow card (Figure 7k).

(iii) Crustaceans (0306)

Penaeus shrimps accounted for the majority of crustacean imports reported by the EU-28 during the period 2005–2016 (Figure 8k). Where these originate from aquaculture (as opposed to wild capture), they are excluded from the scope of the IUU Regulation CC scheme. It has been estimated that around 80% of Thailand's national shrimp production originates from aquaculture. While the EU trade statistics do not distinguish between *Penaeus* shrimps from wild capture and aquaculture, it may be assumed that the majority of imports in Figure 8k are exempt from CC requirements.

It is nevertheless interesting to note that imports of crustaceans from Thailand to the EU have declined since 2010 and again after the yellow card (Figure 8k). Declines in the year following the yellow card were seen across several MS, for example: Belgium (-82%), France (-85%), Germany (-76%), the Netherlands (-66%), Spain (-100%) and the UK (-60%).

172 http://ec.europa.eu/trade/policy/countries-and-regions/countries/thailand/
173 http://trade.ec.europa.eu/doclib/docs/2015/august/tradoc_153732.pdf and http://trade.ec.europa.eu/doclib/docs/2016/january/tradoc_154180.pdf
174 Eurostat. Accessed on 14 June 2017.

(iv) Molluscs (0307)

Imports of molluscs from Thailand to the EU declined following the IUU Regulation's entry into force (Figure 9k). Import volumes in 2010–2011 were 18% lower than in 2008–2009 and declined by a further 20% in the year following the yellow card.

Italy was the largest importer of molluscs from Thailand during the period 2005–2016, with imports following the EU level trend. The main commodities imported were cuttlefish and squid, as well as octopus and products reported to general mollusc categories.

Declines in imports in the year following the yellow card were reported by several MS, for example: Denmark (-32%), France (-52%), Germany (-21%), the Netherlands (-26%), Portugal (-60%), Spain (-31%) and the UK (-41%).

(v) Prepared and preserved fish (1604)

Imports of prepared and preserved fish by the EU-28 remained relatively constant following the IUU Regulation's entry into force, before declining by 29% in the 21 months following the yellow card (Figure 10k). The main commodity concerned was prepared and preserved tuna.

Notable import fluctuations were observed for the following MS:

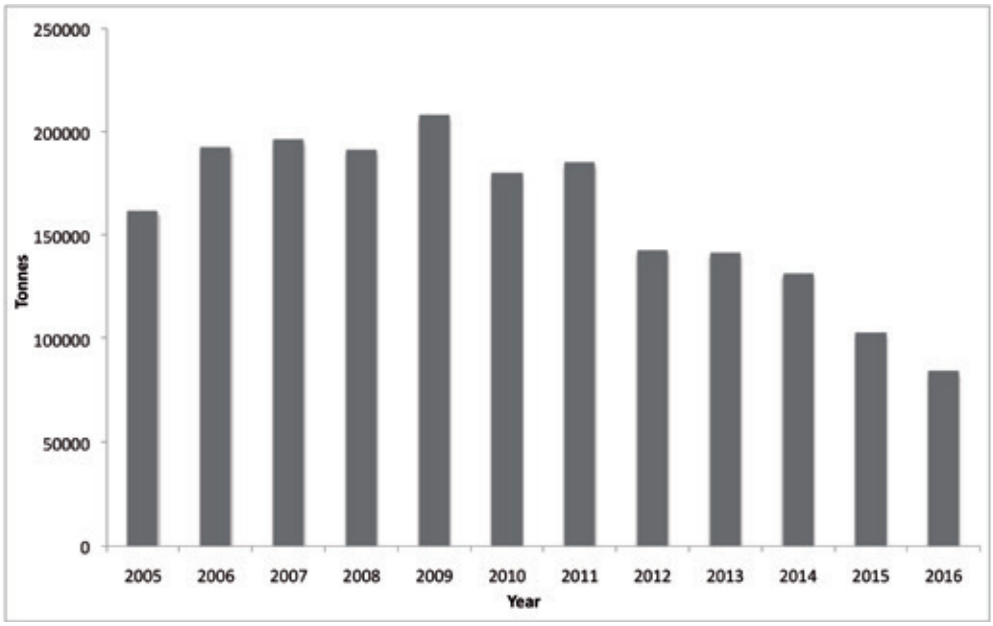
- Imports to Bulgaria increased from 2013 up to the yellow card (trend due to tuna, sardines and products reported to general fish categories) (Figure 11k).
- Annual peaks in imports to the Czech Republic stopped in the year following the yellow card, a decline of 72% (Figure 12k).
- Ireland reported a peak in imports of prepared and preserved tuna in 2011. Imports increased to 1358 tonnes in 2010–2011, compared to 79 tonnes in 2008–2009 (Figure 13k).
- Imports to Latvia increased in the six months prior to the yellow card and following the yellow card (Figure 14k).
- Imports to Lithuania increased by 83% to 599 tonnes in 2010–2011, compared to 327 tonnes in 2008–2009 (Figure 15k).
- Imports to the Netherlands increased by 85% to 19,630 tonnes in 2010–2011, compared to 10,600 tonnes in 2008–2009. Imports further increased by 24% in the year following the yellow card (Figure 16k).
- Portugal reported an anomaly of >2000 tonnes imported in January 2014 (Figure 17k), an order of magnitude greater than monthly imports during the rest of the period 2005–2016.

The majority of MS reported declines in the year following the yellow card, for example: Austria (-57%), Belgium (-36%), Cyprus (-26%), Estonia (-22%), Germany (-42%), Malta (-48%), Romania (-54%), Slovakia (-51%) and Spain (-28%).

(vi) Prepared and preserved crustaceans, molluscs and other aquatic invertebrates (1605)

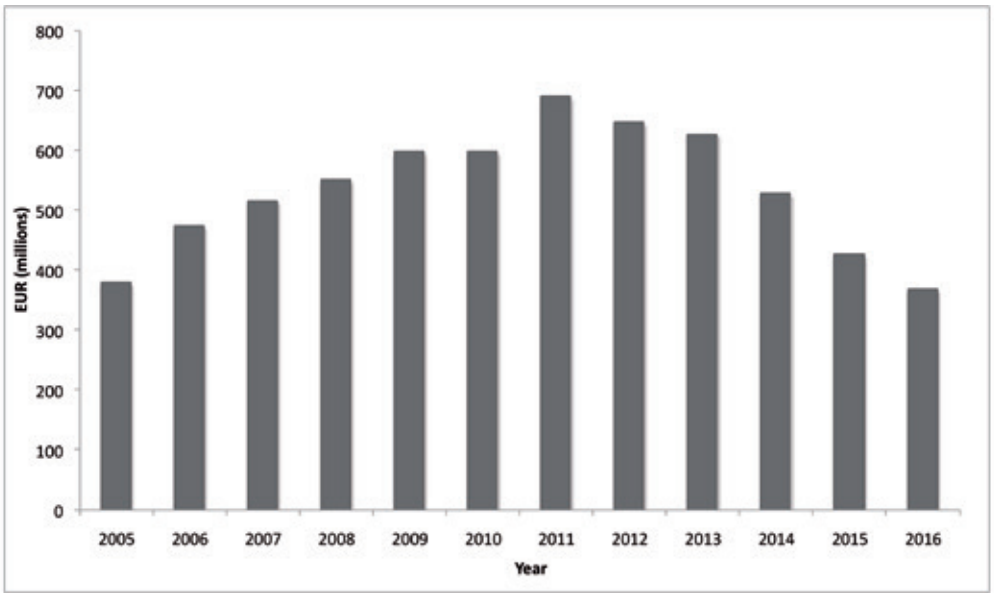
Imports declined during the period 2010–2016, with a 21% decrease in the year following the yellow card (Figure 18k). This reflects trends seen in the UK, the leading importer of this commodity group (primarily prepared and preserved shrimps and prawns). Similar trends were seen in France, Germany and the Netherlands, all of which reported decreases in imports following the yellow card. However, Italy, the fourth largest importer of this commodity group (after the UK, Germany and France), reported an increase in imports of 65% to 2100 tonnes in the year following the yellow card (Figure 19k). As much of this trade was reported under general commodity headings (e.g. molluscs and aquatic invertebrates, prepared or preserved), it is difficult to discern whether the products fell within the scope of the IUU Regulation CC scheme.

Figure 1k: Estimated volume of seafood* imports from Thailand reported by the EU-28 (2005–2016)



Source: Eurostat
*Estimated volume of products falling within the scope of the IUU Regulation. Calculated based on the methodology set out in DG MARE (2014): http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

Figure 2k: Estimated value of seafood* imports from Thailand reported by the EU-28 (2005–2016)



Source: Eurostat
*Estimated value of products falling within the scope of the IUU Regulation. Calculated based on the methodology set out in DG MARE (2014): http://ec.europa.eu/fisheries/sites/fisheries/files/iuu_regulation_final-report_en.pdf

Figure 3k: Monthly imports of frozen fish (0303) from Thailand reported by the EU-28

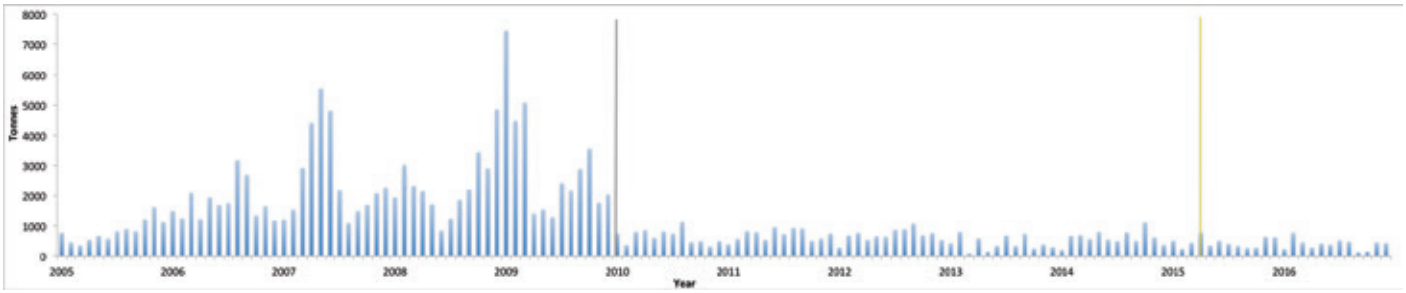


Figure 4k: Monthly imports of fish fillets and meat (0304) from Thailand reported by the EU-28

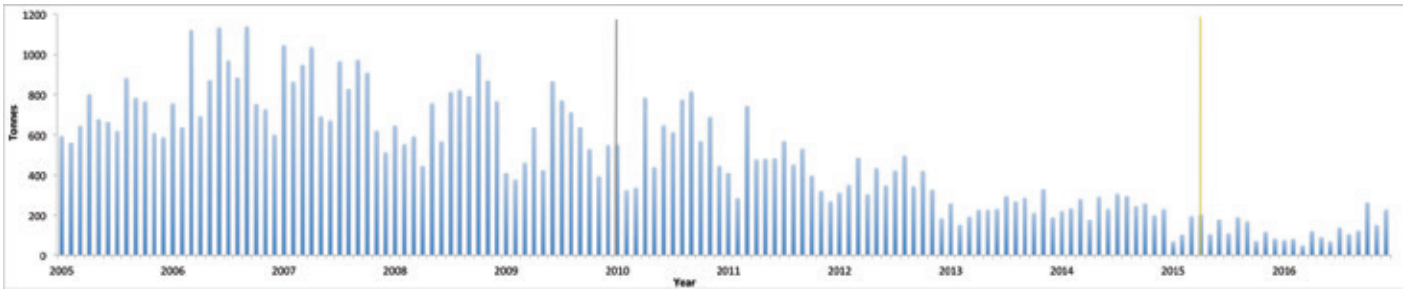


Figure 5k: Monthly imports of fish fillets and meat (0304) from Thailand reported by Germany

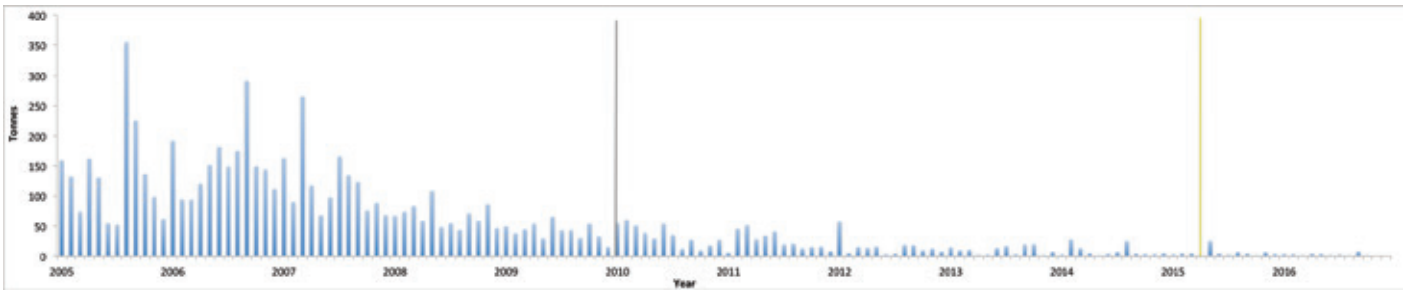


Figure 6k: Monthly imports of fish fillets and meat (0304) from Thailand reported by the Netherlands

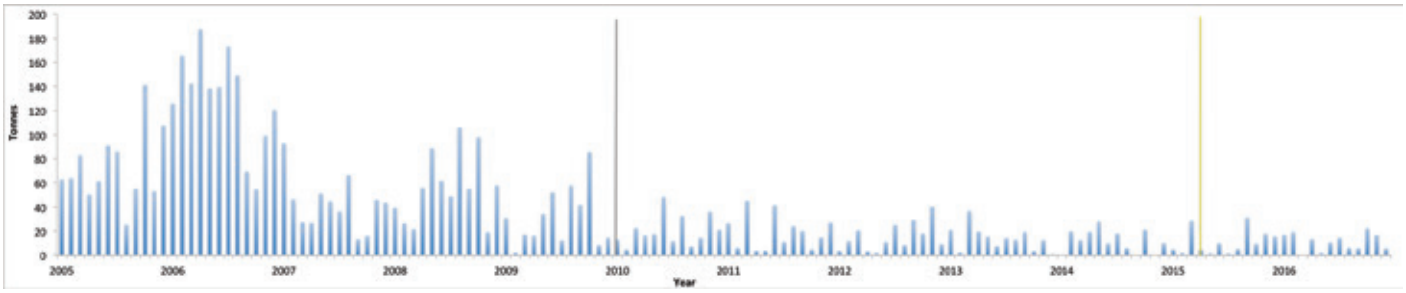
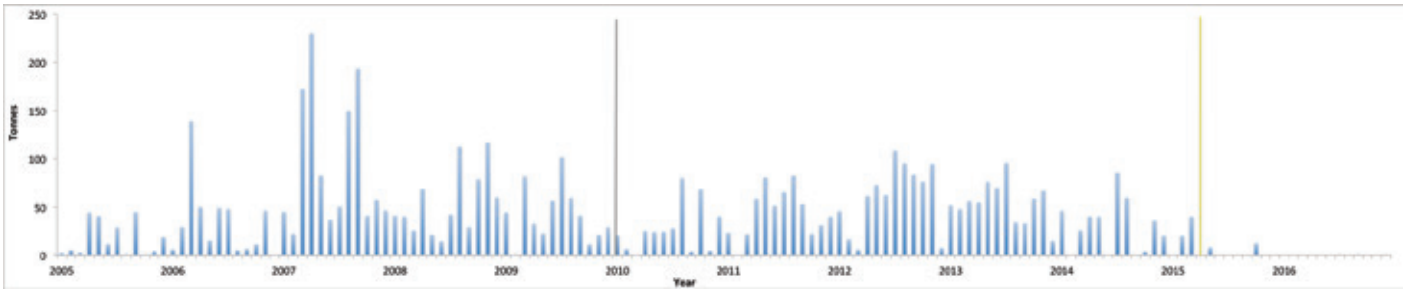


Figure 7k: Monthly imports of fish fillets and meat (0304) from Thailand reported by the UK



Note: The entry into force of the IUU Regulation and the date of the carding decision are marked as vertical coloured lines (grey and yellow).

Figure 8k: Monthly imports of crustaceans (0306) from Thailand reported by the EU-28

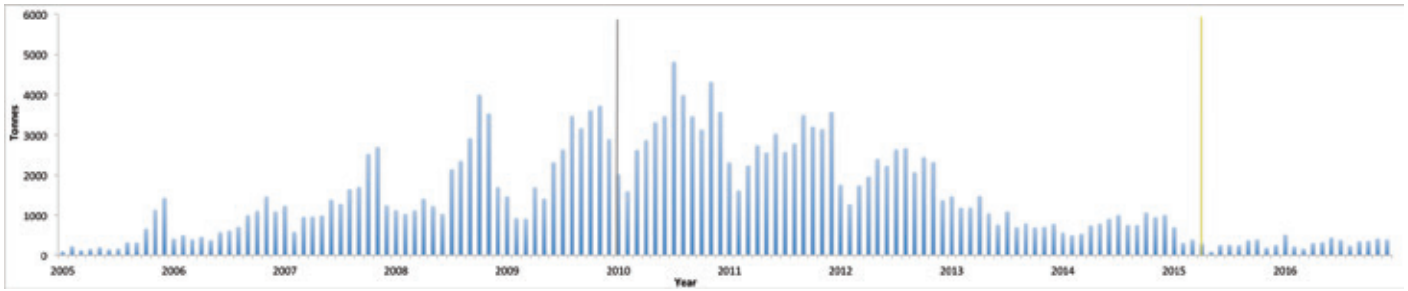


Figure 9k: Monthly imports of molluscs (0307) from Thailand reported by the EU-28

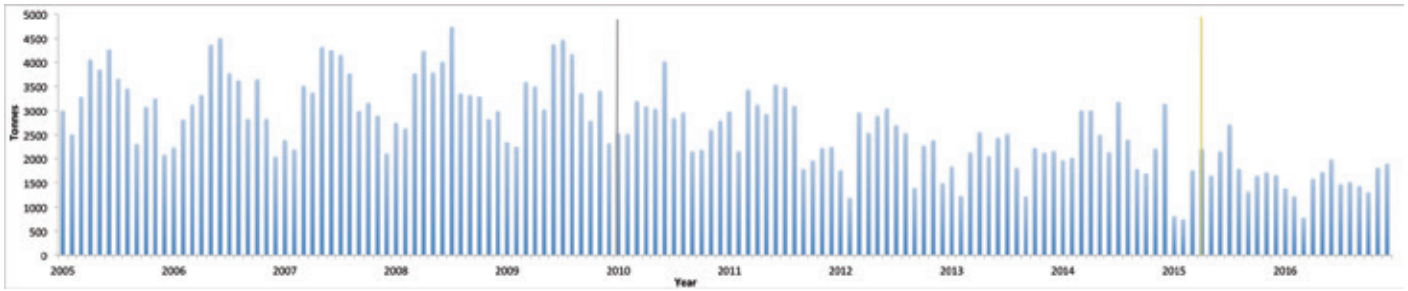


Figure 10k: Monthly imports of prepared and preserved fish (1604) from Thailand reported by the EU-28

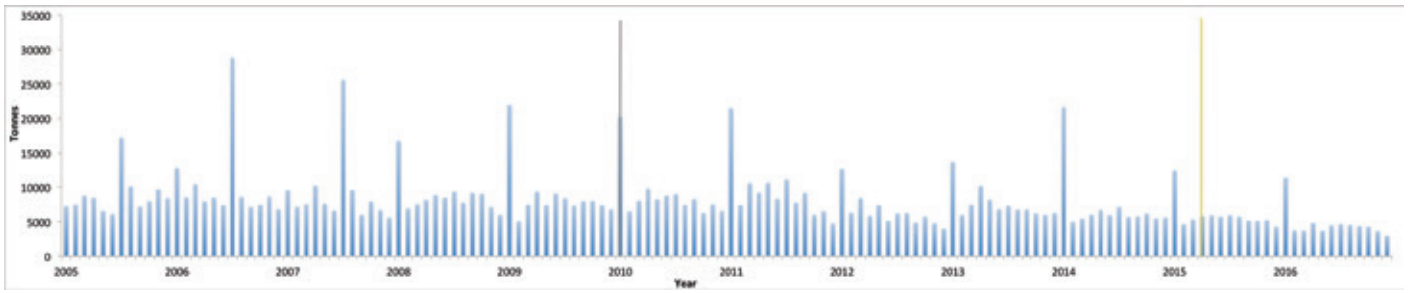


Figure 11k: Monthly imports of prepared and preserved fish (1604) from Thailand reported by Bulgaria

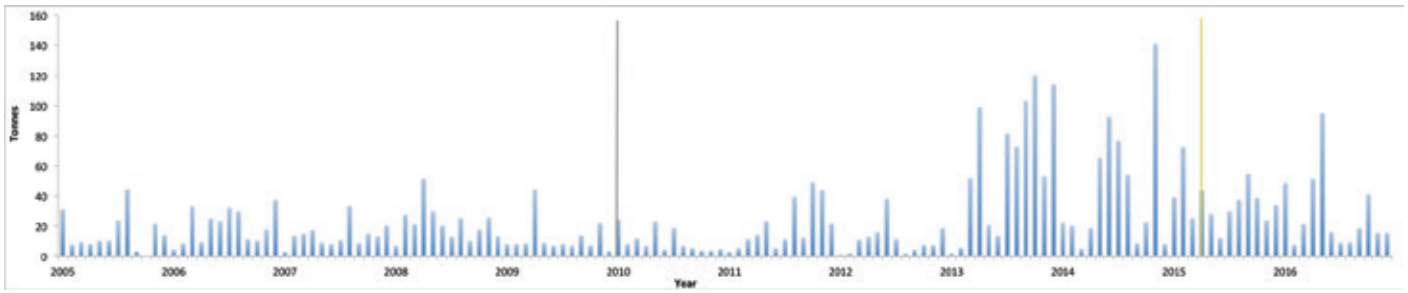


Figure 12k: Monthly imports of prepared and preserved fish (1604) from Thailand reported by the Czech Republic

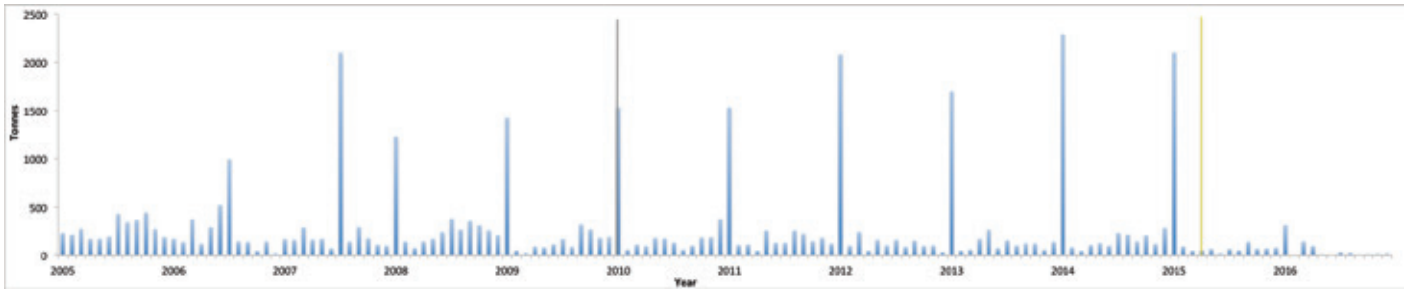


Figure 13k: Monthly imports of prepared and preserved fish (1604) from Thailand reported by Ireland

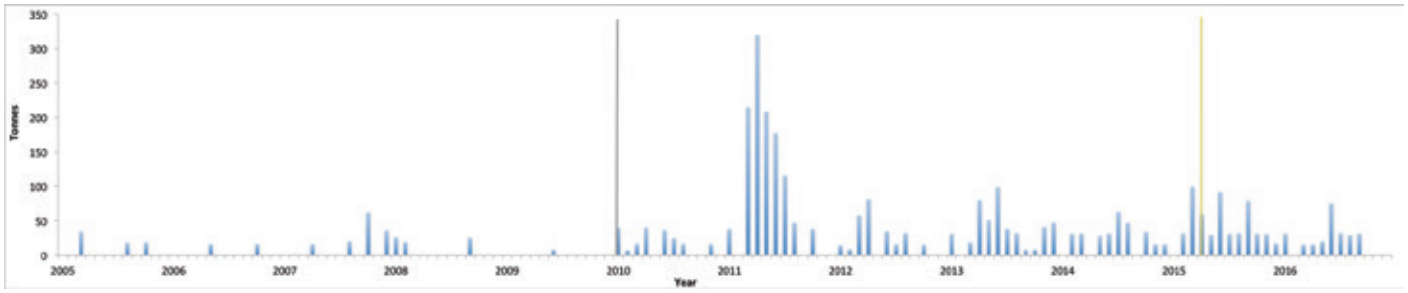


Figure 14k: Monthly imports of prepared and preserved fish (1604) from Thailand reported by Latvia

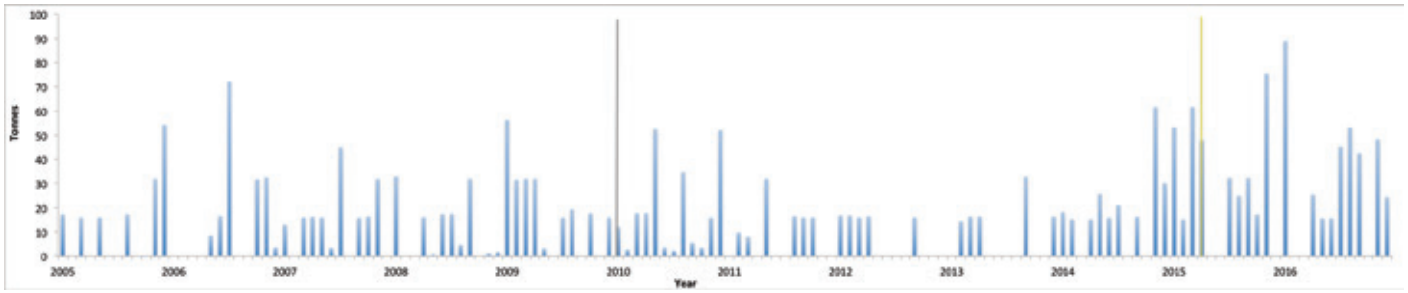


Figure 15k: Monthly imports of prepared and preserved fish (1604) from Thailand reported by Lithuania

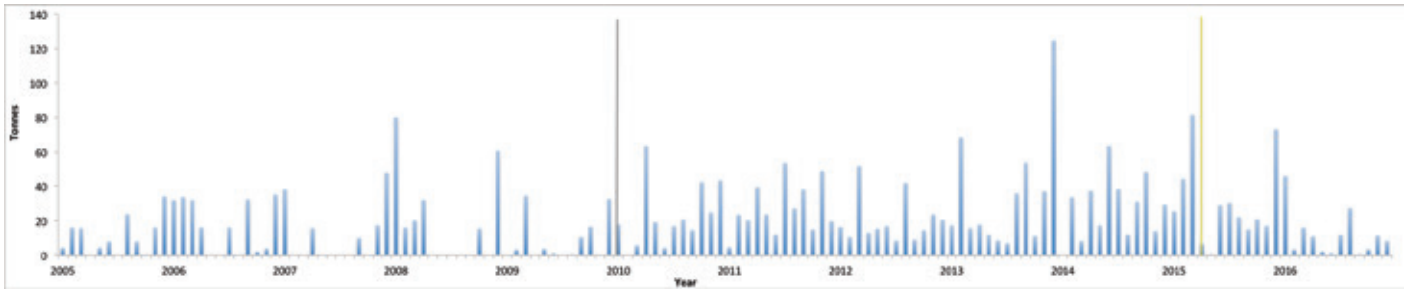


Figure 16k: Monthly imports of prepared and preserved fish (1604) from Thailand reported by the Netherlands

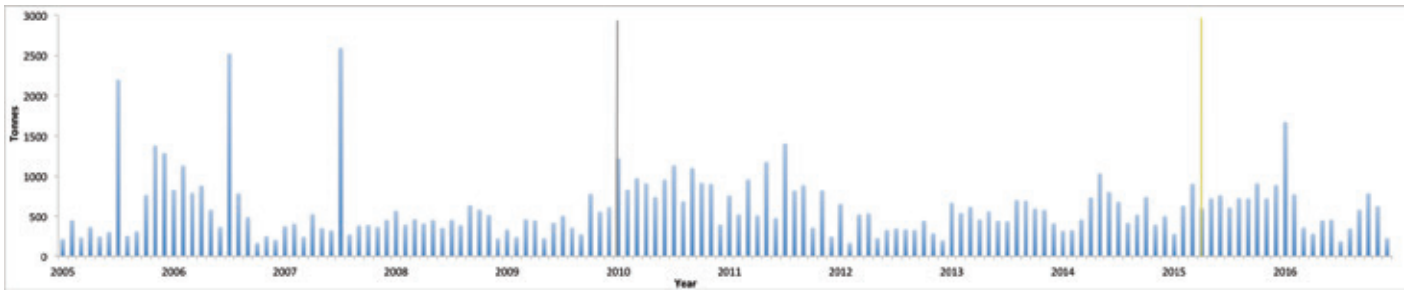


Figure 17k: Monthly imports of prepared and preserved fish (1604) from Thailand reported by Portugal

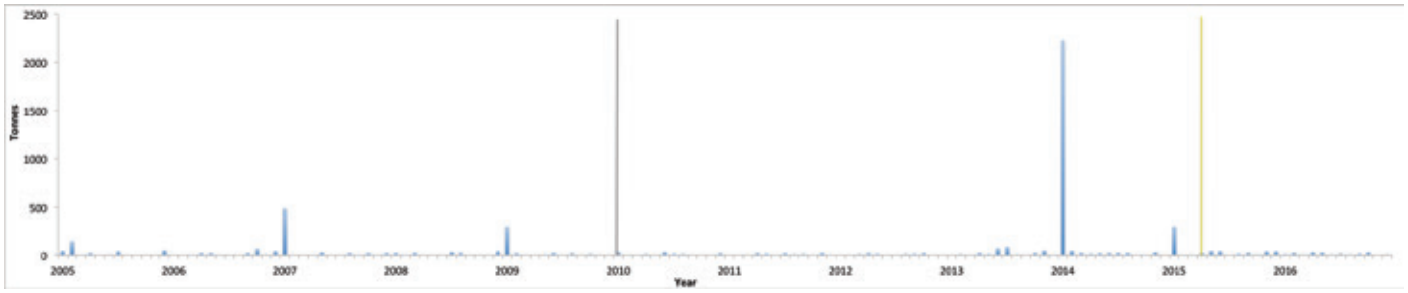


Figure 18k: Monthly imports of prepared and preserved crustaceans, molluscs and other aquatic invertebrates (1605) from Thailand reported by the EU-28

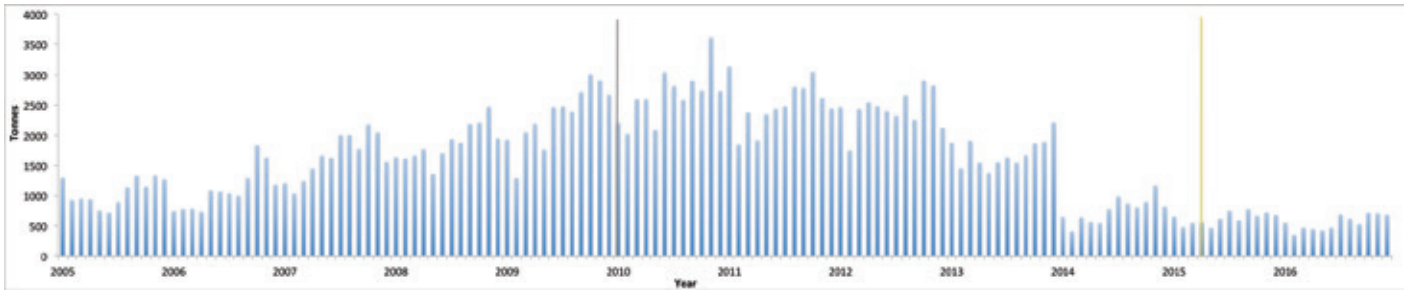


Figure 19k: Monthly imports of prepared and preserved crustaceans, molluscs and other aquatic invertebrates (1605) from Thailand reported by Italy

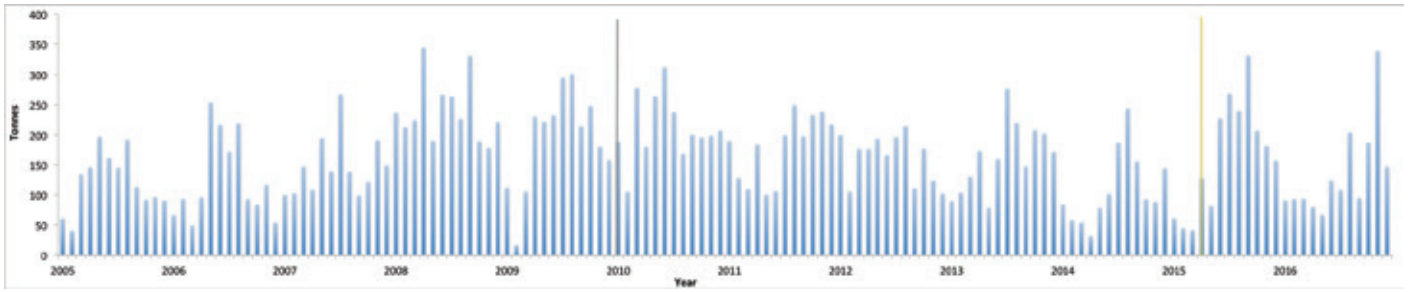


Table K: Fluctuations in member state imports of seafood from Thailand following entry into force of the EU IUU Regulation, and carding decisions

Commodity	Member state	Imports 1 year pre-Reg (tonnes)	Imports 1 year post-Reg (tonnes)	% change	Import 2 years pre-Reg (tonnes)	Imports 2 years post-Reg (tonnes)	% change	Imports 1 year pre-yellow card (tonnes)	Imports 1 year post-yellow card (tonnes)	% change	Imports 21 months pre-yellow card (tonnes)	Imports 21 months post-yellow card (tonnes)	% change
0303	EU-28	**36010**	**7821**	*-78*	**64428**	**16281**	*-75*	6974	5642	*-19*	**11239**	**8887**	*-21*
	Bulgaria	**216**	**20**	*-91*	**529**	**20**	*-96*	0	0	-	0	0	-
	France	**4001**	**1419**	*-65*	**8780**	**2499**	*-72*	**719**	**260**	*-64*	**1322**	**661**	*-50*
	Greece	**167**	**220**	*32*	**264**	**436**	*65*	0	0	-	0	0	-
	Italy	**7219**	**2483**	*-66*	**11247**	**6103**	*-46*	4355	4173	*-4*	**7017**	**5808**	*-17*
	Netherlands	**913**	**623**	*-32*	**2177**	**1023**	*-53*	**248**	**118**	*-52*	**424**	**149**	*-65*
	Portugal	**125**	**22**	*-82*	**260**	**41**	*-84*	**298**	**-**	*-100*	**298**	**25**	*-92*
	Spain	**20233**	**604**	*-97*	**34005**	**1643**	*-95*	0	10	-	**202**	**741**	*268*
	UK	**2172**	**1568**	*-28*	**5344**	**2763**	*-48*	**833**	**619**	*-26*	**1340**	**903**	*-33*
0304	EU-28	6758	6981	*3*	15384	12387	*-19*	**2593**	**1426**	*-45*	**4898**	**2708**	*-45*
	Belgium	**398**	**554**	*39*	920	1066	*16*	**152**	**119**	*-22*	**288**	**194**	*-33*
	France	**2558**	**3290**	*-29*	5068	5154	*2*	**1221**	**751**	*-38*	**1772**	**1290**	*-27*
	Germany	499	418	*-16*	**1297**	**717**	*-45*	70	64	*-9*	182	86	*-53*
	Italy	**905**	**624**	*-31*	**1615**	**1083**	*-33*	265	310	*17*	**637**	**482**	*-24*
	Lithuania	**603**	**375**	*-38*	**1632**	**1247**	*-24*	**359**	**23**	*-94*	**799**	**23**	*-97*
	Netherlands	**372**	**246**	*-34*	**1050**	**475**	*-55*	147	133	*-10*	242	230	*-5*
	Poland	**522**	**743**	*42*	**596**	**935**	*57*	0	0	-	0	0	-
	Spain	**67**	**189**	*180*	**204**	**478**	*135*	0	0	-	**157**	**374**	*138*
	Sweden	**197**	**35**	*-82*	**1556**	**56**	*-96*	5	2	*-55*	8	3	*-55*
	UK	**502**	**325**	*-35*	**1152**	**856**	*-26*	**345**	**21**	*-94*	**719**	**23**	*-97*
0305	EU-28	612	583	*-5*	1159	1012	*-13*	**546**	**377**	*-31*	**817**	**639**	*-22*
	Netherlands	**137**	**98**	*-28*	**281**	**185**	*-34*	81	62	*-24*	157	137	*-13*
	UK	125	115	*-8*	**252**	**189**	*-25*	**197**	**114**	*-42*	**228**	**172**	*-25*
0306	EU-28	**28170**	**39098**	*39*	**51721**	**72289**	*40*	**9347**	**3264**	*-65*	**15678**	**6473**	*-59*
	Belgium	**3289**	**5107**	*55*	**5547**	**8495**	*53*	**150**	**27**	*-82*	**415**	**71**	*-83*
	Cyprus	**164**	**230**	*41*	**304**	**400**	*32*	91	41	*-54*	166	51	*-70*
	Denmark	**139**	**459**	*231*	**150**	**680**	*354*	1	2	*100*	4	3	*-35*
	France	**2606**	**5742**	*120*	**6088**	**9798**	*61*	**846**	**128**	*-85*	**1603**	**207**	*-87*
	Germany	4676	4542	*-3*	8834	7814	*-12*	**2468**	**598**	*-76*	**3682**	**978**	*-73*
	Italy	2216	2612	*18*	**3926**	**4856**	*24*	**457**	**548**	*20*	**688**	**980**	*43*
	Netherlands	**1708**	**1268**	*-26*	2612	2255	*-14*	**135**	**46**	*-66*	159	78	*-51*
	Portugal	**300**	**429**	*43*	**412**	**593**	*44*	0	0	-	0	0	-
	Spain	**7350**	**11356**	*55*	**12868**	**21745**	*69*	**577**	**0**	*-100*	**590**	**43**	*-93*
	UK	**5709**	**7278**	*27*	**10916**	**15498**	*42*	**4578**	**1832**	*-60*	**8238**	**4005**	*-51*
0307	EU-28	39610	33907	*-14*	81300	66838	*-18*	**25373**	**20236**	*-20*	**44414**	**34963**	*-21*
	Belgium	530	440	*-17*	**1364**	**592**	*-57*	**93**	**116**	*25*	207	190	*-8*
	Denmark	760	816	*7*	1963	1713	*-13*	**571**	**391**	*-32*	**1048**	**401**	*-62*
	France	987	1023	*4*	2117	1976	*-7*	**662**	**321**	*-52*	**954**	**391**	*-59*
	Germany	2005	2072	*3*	4270	3911	*-8*	**1262**	**997**	*-21*	**2139**	**1415**	*-34*
	Greece	**282**	**149**	*-47*	**924**	**227**	*-75*	0	31	-	0	37	-
	Italy	31023	26037	*-16*	60875	51767	*-15*	20321	16764	*-18*	36064	29878	*-17*
	Netherlands	**990**	**753**	*-24*	**1991**	**1479**	*-26*	**690**	**512**	*-26*	**1197**	**848**	*-29*
	Portugal	265	286	*8*	698	626	*-10*	**478**	**193**	*-60*	**587**	**191**	*-68*
	Spain	1174	986	*-16*	**3863**	**1781**	*-54*	**181**	**124**	*-31*	203	214	*5*
	UK	**735**	**575**	*-22*	1397	1215	*-13*	**747**	**441**	*-41*	**1368**	**736**	*-46*

1604	EU-28	106282	106782	*0*	211614	219879	*4*	77170	67804	*-12*	**148671**	**105198**	*-29*
	Austria	**1657**	**1314**	*-21*	**4728**	**2941**	*-38*	**814**	**351**	*-57*	**2110**	**547**	*-74*
	Belgium	799	942	*18*	**1891**	**2549**	*35*	**950**	**603**	*-36*	**2207**	**877**	*-60*
	Bulgaria	146	122	*-17*	408	361	*-12*	**623**	**379**	*-39*	**1215**	**650**	*-47*
	Cyprus	1593	1394	*-13*	2958	2556	*-14*	**1281**	**951**	*-26*	**2355**	**1432**	*-39*
	Czech Rep.	2993	3182	*6*	6759	6414	*-5*	**3760**	**1069**	*-72*	**6877**	**1254**	*-82*
	Germany	4915	4014	*-18*	**14146**	**7864**	*-44*	**7243**	**4182**	*-42*	**10521**	**7257**	*-31*
	Croatia	**1496**	**1859**	*24*	3516	3147	*-10*	1189	1010	*-15*	**1993**	**1255**	*-37*
	Denmark	2113	2398	*13*	4746	5260	*11*	1475	1365	*-8*	**3312**	**2401**	*-28*
	Estonia	239	206	*-14*	414	483	*17*	**206**	**160**	*-22*	**358**	**210**	*-41*
	Finland	5975	6444	*8*	11495	13011	*13*	2945	2512	*-15*	**6716**	**3976**	*-41*
	Hungary	**201**	**249**	*24*	**838**	**520**	*-38*	**146**	**48**	*-67*	**345**	**105**	*-70*
	Ireland	**9**	**198**	*2232*	**79**	**1358**	*1612*	**366**	**448**	*22*	605	652	*8*
	Italy	**13820**	**10532**	*-24*	22047	19538	*-11*	5927	5668	*-4*	**12445**	**8609**	*-31*
	Latvia	224	220	*-2*	348	319	*-8*	316	319	*1*	**399**	**589**	*48*
	Lithuania	**103**	**273**	*165*	**327**	**599**	*83*	**443**	**279**	*-37*	**754**	**357**	*-53*
	Malta	**982**	**1176**	*20*	2132	2203	*3*	**821**	**424**	*-48*	**1200**	**646**	*-46*
	Netherlands	**5186**	**10733**	*107*	**10599**	**19634**	*85*	**7597**	**9419**	*24*	12089	13377	*11*
	Poland	**4456**	**5480**	*23*	10768	10343	*-4*	4087	3844	*-6*	6596	5808	*-12*
	Portugal	**378**	**134**	*-65*	**532**	**238**	*-55*	**437**	**296**	*-32*	**2903**	**447**	*-85*
	Romania	**4741**	**5952**	*26*	11864	9774	*-18*	**4018**	**1843**	*-54*	**6289**	**2717**	*-57*
	Slovakia	689	721	*5*	1679	1470	*-12*	**1132**	**555**	*-51*	**2345**	**675**	*-71*
	Slovenia	**80**	**192**	*141*	244	280	*15*	85	93	*9*	**238**	**93**	*-61*
	Spain	9658	9147	*-5*	**16648**	**22620**	*36*	**4393**	**3183**	*-28*	**12712**	**4539**	*-64*
	Sweden	4698	4255	*-9*	9160	8836	*-4*	4001	3556	*-11*	**6908**	**5824**	*-16*
1605	EU-28	27817	31908	*15*	**50155**	**62118**	*24*	**9102**	**7202**	*-21*	**21604**	**12491**	*-42*
	Belgium	1554	1470	*-5*	2560	2938	*15*	74	16	*-78*	**295**	**25**	*-92*
	Denmark	**1186**	**1445**	*22*	2465	2243	*-9*	**114**	**214**	*88*	378	463	*23*
	France	3735	4150	*11*	**6256**	**7816**	*25*	**409**	**264**	*-35*	**1054**	**399**	*-62*
	Germany	6676	7803	*17*	12297	14395	*17*	**3269**	**1517**	*-54*	**5799**	**2129**	*-63*
	Greece	**238**	**332**	*40*	584	560	*-4*	113	91	*-19*	**243**	**91**	*-62*
	Italy	2310	2531	*10*	5189	4681	*-10*	**1269**	**2097**	*65*	**2687**	**3448**	*28*
	Netherlands	2945	2574	*-13*	4711	5092	*8*	427	375	*-12*	**1000**	**658**	*-34*
	Poland	139	156	*13*	**332**	**219**	*-34*	11	5	*-55*	21	5	*-77*
	Portugal	**15**	**112**	*674*	40	114	*188*	0	15	-	15	26	*69*
	Spain	**444**	**622**	*40*	**893**	**1545**	*73*	**131**	**163**	*25*	264	221	*-17*
	Sweden	91	90	*-1*	**251**	**199**	*-21*	36	38	*6*	85	55	*-35*
	UK	**8223**	**10319**	*25*	**13928**	**21745**	*56*	**3191**	**2365**	*-26*	**9600**	**4912**	*-49*

Notes:
Figures in bold indicate fluctuations of ±20% pre- and post-1 January 2010/carding decision(s) where annual imports of the commodity concerned to the individual MS exceeded 100 tonnes (see Methodology for further discussion of thresholds).

SECTION 2:

Analysis of selected key trends

Highlights:

- Selected examples of key trends are detailed further in this section. Additional follow up and analysis is warranted to understand these trends.

Example 1: Increased imports to Italy following carding decisions

- **Italy** reported increased import volumes following the carding of several third countries, particularly for products of swordfish and tuna.
- In some cases, increased import volumes coincided with increased intra-EU trade from Italy to other MS. This could indicate the use of Italy as an entry point for imports destined for other MS, potentially related to disparities in import controls.
- In other cases, no such trends could be identified. This suggested that Italy may have been the market of destination for the products concerned.

Example 2: Shift in trade flows from Spain to Portugal

- **Portugal** reported increased imports of certain commodities, such as swordfish, from carded countries, coinciding with a decline in imports reported by **Spain** and an increase in intra-EU trade from Portugal to Spain. This indicated a shift towards importing commodities through Portugal, which may be related to disparities in implementation of import controls.

Example 3: High risk commodities transiting via the Netherlands

- **The Netherlands** reported increased imports of prepared and preserved tuna from Thailand after the yellow card, while imports to other MS, such as **Germany** and **Spain** declined.
- Further analysis revealed an increase in intra-EU trade in processed tuna from the Netherlands to the rest of the EU in 2015-16, including to Germany and Spain.

Example 4: Trade anomalies reported by smaller importing MS

- Import fluctuations were observed for a number of smaller importing MS, coinciding with the carding of third countries. Trade anomalies were reported by, among others, **Austria, Romania, Czech Republic, Poland** and **Latvia**.

This section presents examples of interesting or recurring trends discerned from the analysis of import data in Section 1 that appear to be related to the IUU Regulation. While it can be difficult to isolate the impact of the IUU Regulation due to the range of possible influencing factors, where similar patterns/trends were observed for imports from several exporting third countries, carded in different months/years, it may be inferred that the Regulation has impacted seafood flows to the EU, at least to some extent.

For the key trends identified, additional analyses were undertaken to determine whether the importing MS was the likely market for the imported seafood, or a transit hub for onward transport to other MS. Although a lack of available data on the country of origin of products that are traded internally within the EU can limit the accuracy of such analyses (as well as other limitations associated with intra-EU trade data - see Methodology), several tentative conclusions are presented here.

Import fluctuations were observed more frequently for certain seafood commodities, including yellowfin tuna and swordfish. The key commodities for which fluctuations were observed are set out in Table 4.

Table 4: Seafood commodities for which notable import trends were discerned during an analysis of imports from carded third countries/territories (2005–2016)

Commodity code* and period of application	Description	Third country/ territory
0302	**Fresh or chilled fish*** *Fish, fresh or chilled, excluding fish fillets and other fish meat of heading 0304	
• *0302 32 (1988–)*	Fresh or chilled yellowfin tunas *Thunnas albacares*	LK
0303	**Frozen fish*** *Fish, frozen, excluding fish fillets and other fish meat of heading 0304	
• *0303 79 87 (1991–2006)* • *0303 61 (2007–2011)* • *0303 57 (2012–)*	Frozen swordfish *Xiphias gladius*	BZ, KR, PA, TW
• *0303 42 (1988–)*	Frozen yellowfin tunas *Thunnus albacares*	BZ, GH, KR, PG, PH
• *0303 75 (1988–2011)* • *0303 81 (2012–)*	Frozen dogfish and other sharks	BZ, PA
0304	**Fish fillets and meat*** *Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen	
• *0304 11 (2007–2011)* • *0304 45 (2012–)* • *0304 54 (2012–)*	• Fresh or chilled fillets and other meat 'whether or not minced' of swordfish *Xiphias gladius* • Fresh or chilled fillets of swordfish *Xiphias gladius* • Fresh or chilled meat, whether or not minced, of swordfish *Xiphias gladius*	LK
• *0304 20 45 (1988–2006)* • *0304 29 45 (2007–2011)* • *0304 87 00 (2012–)* • *0304 89 30 (2012–)*	• Frozen fillets of tuna *Thunnus* and of fish of the genus *Euthynnus* • Frozen fillets of tuna *Thunnus* and of fish of the genus *Euthynnus* • Frozen fillets of tuna of the genus *Thunnus*, skipjack or stripe-bellied bonito (*Euthynnus (Katsuwonus) pelamis*) • Frozen fillets of fish of the genus *Euthynnus* (excl. skipjack or stripe-bellied bonito)	KR
0307	**Molluscs*** *Molluscs, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; smoked molluscs, whether in shell or not, whether or not cooked before or during the smoking process; flours, meals and pellets of molluscs, fit for human consumption	
• *0307 49 (1988–)*	Cuttlefish *Sepia officinalis, Rossia macrosoma, Sepiola* spp. and squid *Ommastrephes* spp., *Loligo* spp., *Nototodarus* spp., *Sepioteuthis* spp., smoked, frozen, dried, salted or in brine, with or without shell	GH, KR, TW
• *0307 59 (1988–)*	Octopus *Octopus* spp., smoked, frozen, dried, salted or in brine	GH, PH, TH
1604	**Prepared or preserved fish*** *Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs	
• *1604 14 (1988–)* • *1604 20 70 (1988–)*	• Prepared and preserved tunas, skipjack and Atlantic bonito, whole or in pieces (excl. minced) • Prepared and preserved tunas, skipjack or other fish of the Genus *Euthynnus* (excl. whole or in pieces), other	GH, PG, PH, SB, TH
• *1604 20 05 (1994–)*	Preparations of surimi	KR

Abbreviations:
BZ – Belize; GH – Ghana; KR – Korea; LK – Sri Lanka; PA – Panama; PG – Papua New Guinea; PH – Philippines; SB – Solomon Islands; TH – Thailand; TW – Taiwan

Notes:
*EU-specific CN8 code included where HS6 code not adopted under HS system of the WCO.

Example 1: Increased imports to Italy following carding decisions

Italy reported increased import volumes following the yellow carding of several third countries/territories (see Table 5), particularly for products of swordfish and tuna:

- Fresh/chilled swordfish fillets and meat from Sri Lanka.
- Frozen swordfish from Taiwan.
- Fresh/chilled yellowfin tuna from Sri Lanka.
- Frozen yellowfin tuna from Ghana.
- Frozen yellowfin tuna from PNG.
- Canned tuna (primarily yellowfin) from Ghana.
- Prepared tuna loins (skipjack and yellowfin) from the Solomon Islands.

In some cases, increased import volumes were accompanied by increased intra-EU trade from Italy to other MS. Italy's imports of frozen yellowfin tuna from Ghana increased during the period 2014–2016, and from Papua New Guinea in 2015, which coincided with increased intra-EU trade in this commodity from Italy reported by other MS (Table 5, Figure 4). Imports of tuna loins to Italy from the Solomon Islands also peaked in 2015, which coincided with slightly increased intra-EU trade from Italy reported by other MS (Table 5, Figure 6).

Further discussions with seafood operators and competent authorities in Italy would assist in determining whether, in the above cases, Italy was the point of entry to the EU for products destined for other MS and, if so, whether this is linked to disparities in import controls between Italy and the MS of destination. Based on previous analyses, Italy may be viewed as an attractive point of entry for seafood imports, due to less stringent import controls under the IUU Regulation. For example, Italy sent just two requests for verification to third countries during the reporting period 2012–2013 (representing 0.003% of CCs received, lower than most other MS), and did not reject any consignments for IUU fishing concerns during this period (see Annex I)[175].

For other trade flows, there was no apparent link between increased imports reported by Italy, and intra-EU trade to other MS. For example, imports of frozen swordfish from Taiwan increased to more than 1200 tonnes in 2015 and 1400 tonnes in 2016, while dispatches from Italy to the rest of the EU declined during the same period (approx. 210 tonnes in 2014, to 95 tonnes in 2016). This suggests that imports were destined for the Italian market, which may reflect a willingness to accept higher-risk commodities following the carding decisions and a decline in demand in other MS.

However, commodities may not appear in the intra-EU trade data for a given year where they are stored in the importing MS before being transported to other MS at a later point in time. Imported products may also be (partially) transformed in the importing MS before onward transport to the MS of destination, resulting in a change in the reported commodity code (e.g. fresh to frozen product). Such dynamics are difficult to detect solely from the intra-EU trade data, and additional follow up is warranted.

Further research is also required to understand disparities in intra-EU trade flows reported by Italy (as exporting MS) and by the MS of destination (importing MS). This was particularly pronounced for intra-EU trade in frozen yellowfin tuna (Table 5, Figure 4(b) and (d)), with reported dispatches consistently lower than reported arrivals during the period 2005–2016.

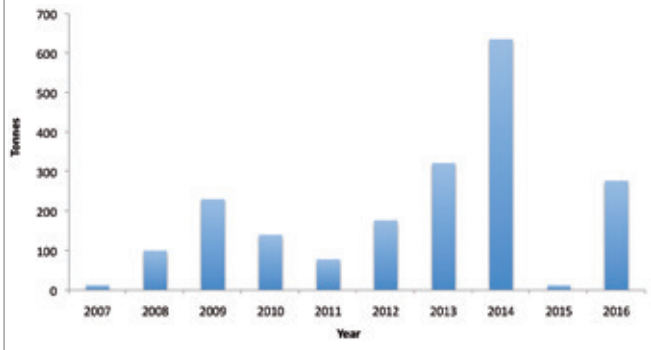
175 For further information see: http://www.iuuwatch.eu/2017/03/analysis-member-states-progress-implementation-import-controls-iuu-regulation/.

Table 5: Import fluctuations reported by Italy from carded third countries/territories and related intra-EU trade flows*

*For intra-EU trade, the graphs include data reported by both the MS of dispatch (intra-EU export) and the MS of arrival (intra-EU import), to build a more complete picture of trade within the EU. For further explanation of intra-EU trade data, including possible reasons for discrepancies between arrivals and dispatches, see Methodology section.

Figure 1: Fresh/chilled swordfish fillets/meat[1]

(a) Imports from Sri Lanka reported by Italy*



*Decisions:
Yellow card: November 2012
Red card: October 2014
Blacklisting: February 2015
Delisting: June 2016

(b) Intra-EU trade from Italy to other MS

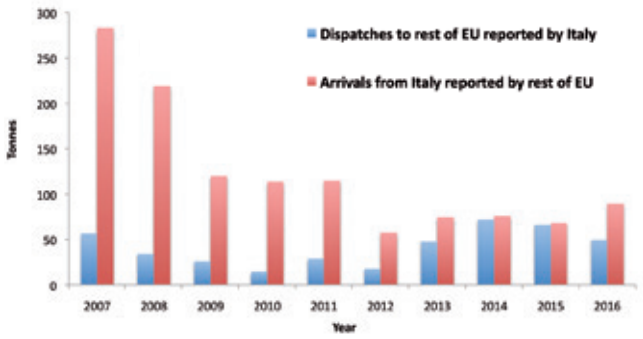
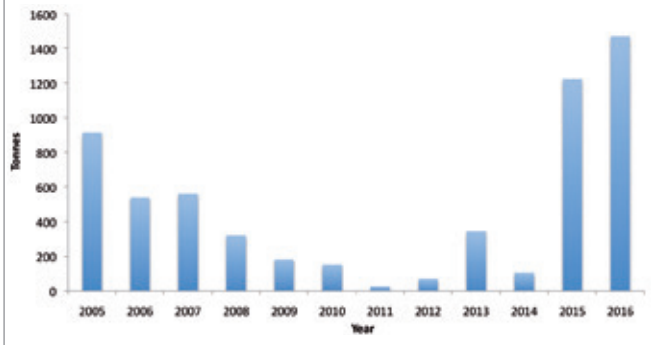


Figure 2: Frozen swordfish[2]

(a) Imports from Taiwan reported by Italy*



*Decisions:
Yellow card: October 2015

(b) Intra-EU trade from Italy to other MS

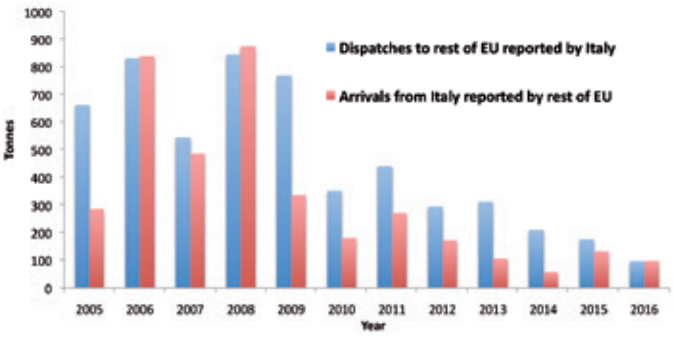
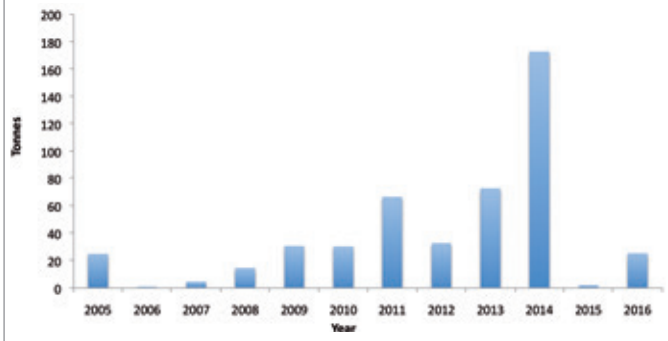


Figure 3: Fresh/chilled yellowfin tuna[3]

(a) Imports from Sri Lanka reported by Italy*



**Decisions:*
Yellow card: November 2012
Red card: October 2014
Blacklisting: February 2015
Delisting: June 2016

(b) Intra-EU trade from Italy to other MS

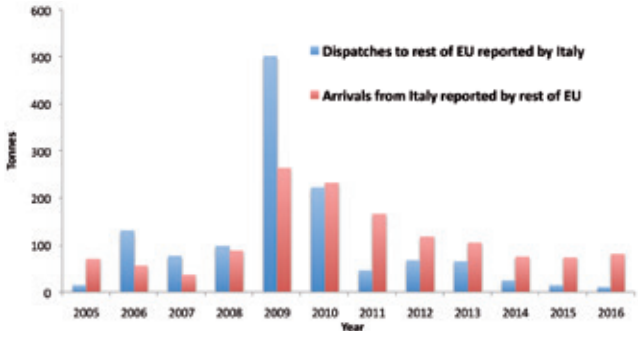
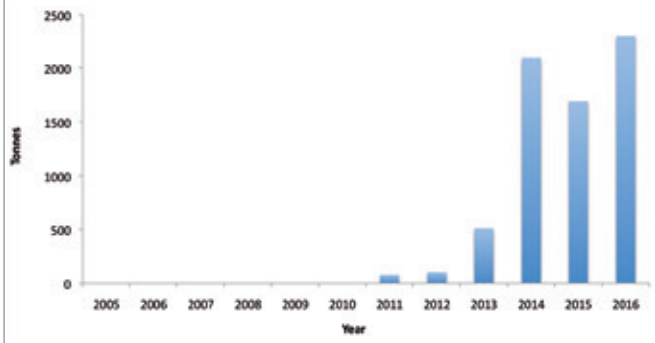


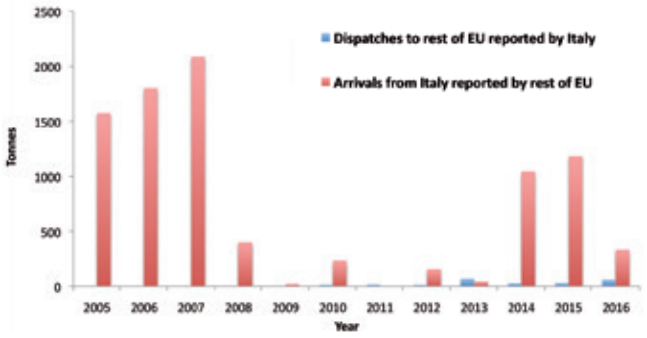
Figure 4: Frozen yellowfin tuna[4]

(a) Imports from Ghana reported by Italy*

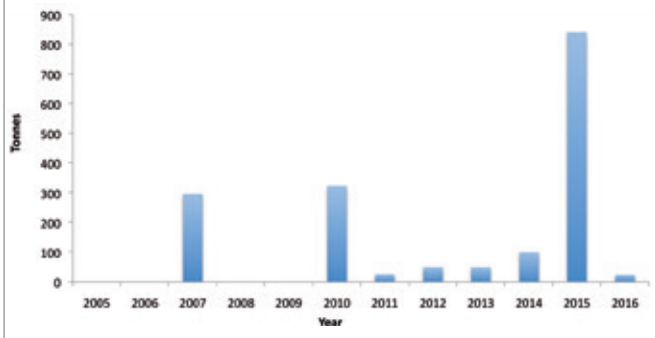


**Decisions:*
Yellow card: November 2013
Green card: October 2015

(b) Intra-EU trade from Italy to other MS



(c) Imports from PNG reported by Italy*



**Decisions:*
Yellow card: June 2014
Green card: October 2015

(d) Intra-EU trade from Italy to other MS

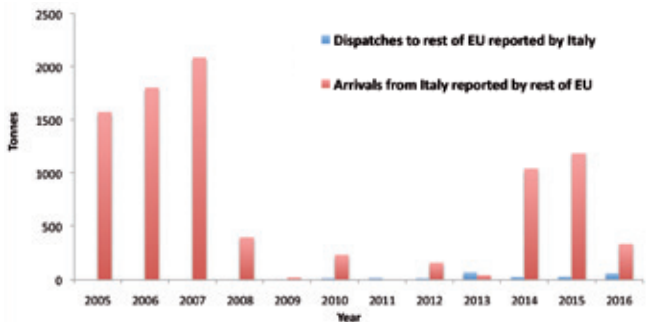
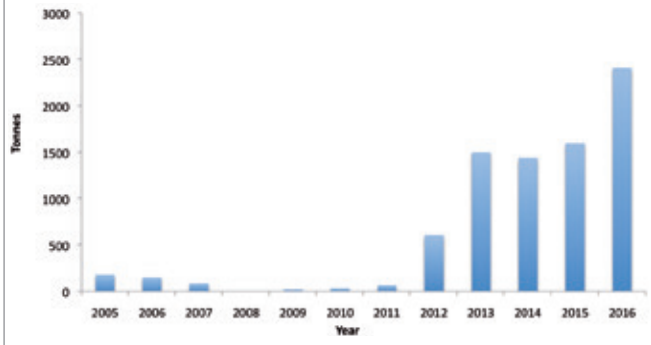


Figure 5: Canned tuna[5]

(a) Imports from Ghana reported by Italy



**Decisions:*
Yellow card: November 2013
Green card: October 2015

(b) Intra-EU trade from Italy to other MS

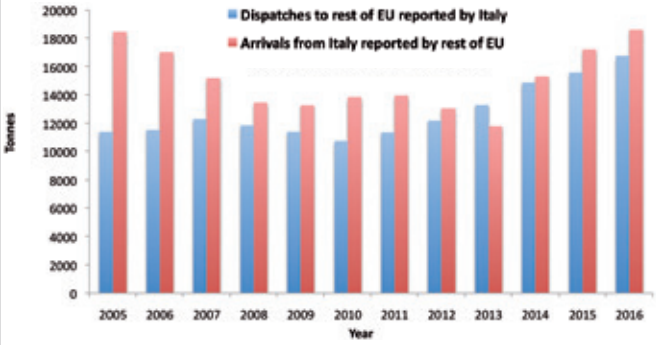
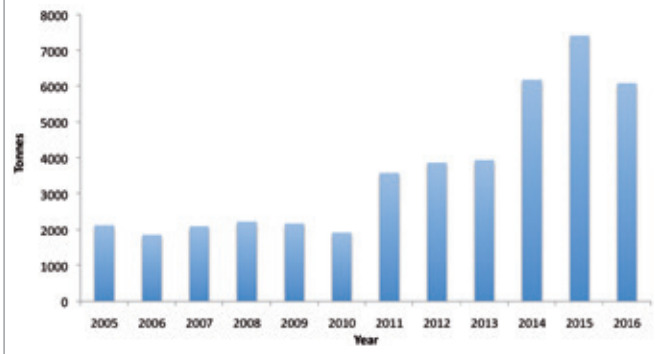


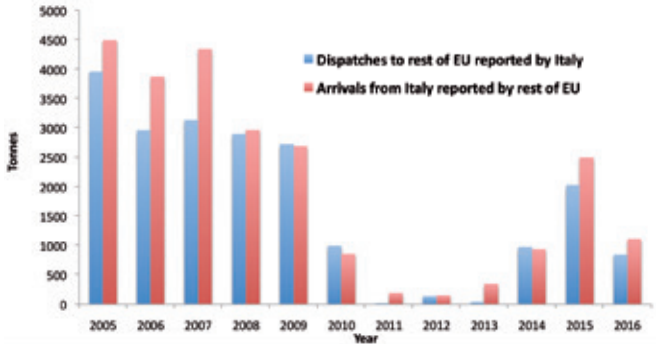
Figure 6: Prepared tuna loins[6]

(a) Imports from the Solomon Islands reported by Italy*



**Decision:*
Yellow card: December 2014
Green card: February 2017

(b) Intra-EU trade from Italy to other MS



Notes:

[1] Reported under commodity codes 0304 11 10 (2007–2011), 0304 11 90 (2007–2011), 0304 45 (2012–), 0304 54 (2012–)

[2] Reported under commodity codes 0303 79 87 (1991–2006), 0303 61 (2007–2011), 0303 57 (2012–)

[3] Reported under commodity code 0302 32 (1988–)

[4] Reported under commodity code 0303 42 (1988–)

[5] Includes products in vegetable oil and products reported to 'other' categories at CN8 level under 1604 14 (1988-) in order to incorporate other types of canned tuna, e.g. in water or tomato sauce. May include other ambient tuna products, such as pouches and by-products.

[6] Loins reported in specific CN8 categories under 1604 14 (1988–)

Example 2: Shift in trade flows from Spain to Portugal

Portugal reported an increase in frozen fish imports from Belize, Korea, Panama and Taiwan around the time of the yellow cards. These increases coincided with declines in frozen fish imports reported by Spain from the countries/territories concerned. Imports primarily involved swordfish and shark (reported to general species categories).

An overview of these trends is presented in Table 6. Trends were particularly marked for frozen swordfish exported from Belize, Panama and Taiwan, with imports to Portugal exceeding imports to Spain for the first time in the year of/following the yellow card. Intra-EU trade in frozen swordfish from Portugal to Spain has also increased since 2012 – coinciding with the first yellow cards under the IUU Regulation – with the highest volumes reported in 2016. These trends have continued following the lifting of the yellow cards (e.g. Belize, Korea and Panama).

These trends indicate a shift towards importing seafood through Portugal rather than Spain, potentially for reasons related to the IUU Regulation. This may be due to disparities in import controls between the two MS, including the treatment of risk and level of scrutiny afforded to imports from yellow-carded countries[176]. In 2014/15, the Spanish authorities reported a decline in CCs for the import of swordfish caught by Taiwanese and Indonesian vessels, following an increase in verification requests to Taiwan and Indonesia. According to recent analyses, Spain has one of the most comprehensive systems of IUU import controls in the EU[177].

In addition, from 2013 onwards, disparities appear between dispatches of frozen swordfish to Spain reported by Portugal, and corresponding arrivals from Portugal reported by Spain (Table 6, Figure 1(e)). Arrivals reported by operators in Spain were routinely around 35–45% lower than volumes reported as dispatched by operators in Portugal. In contrast, during the period 2007–2012, reported dispatches and arrivals were relatively consistent. This suggests that a shift in trade dynamics took place in 2013, potentially involving new operators or trade flows that fell below/outside the threshold for intra-EU trade reporting, or, alternatively, that under-reporting may have occurred. Further analysis is required to understand these trends, given the limitations of intra-EU trade data (see Methodology).

176 See Annex II and EJF, Oceana, The Pew Charitable Trusts and WWF (2017). *The EU IUU Regulation: Analysis of implementation of EU seafood import controls.* http://www.iuuwatch.eu/wp-content/uploads/2017/03/IUU_Import-controls_report_ENG.pdf.

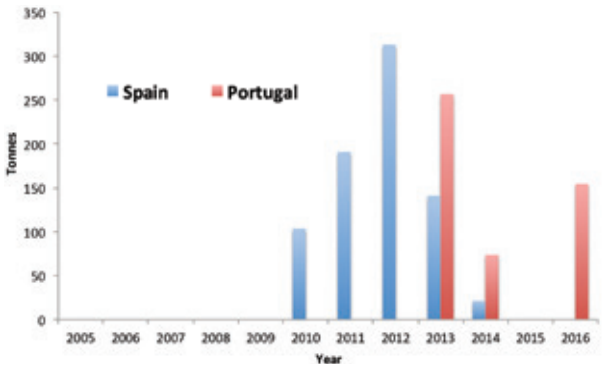
177 For further information see: EJF, Oceana, The Pew Charitable Trusts and WWF (2017). *The EU IUU Regulation: Analysis of implementation of EU seafood import controls.* http://www.iuuwatch.eu/2017/03/analysis-member-states-progress-implementation-import-controls-iuu-regulation/ and EJF, Oceana, The Pew Charitable Trusts and WWF (2017). *Spain – Leading implementation of the EU's Regulation to combat illegal fishing.* http://www.iuuwatch.eu/wp-content/uploads/2015/07/IUU_SPAIN_Brief_ENG.FINAL_June_HIGH.pdf.

Table 6: Trends in imports of frozen swordfish and sharks from carded countries/territories to Portugal and Spain, and intra-EU trade flows between Spain and Portugal*

*For intra-EU trade, the graphs include data reported by both the MS of dispatch (intra-EU export) and the MS of arrival (intra-EU import), to build a more complete picture of trade within the EU. For further explanation of intra-EU trade data, including possible reasons for discrepancies between arrivals and dispatches, see Methodology section.

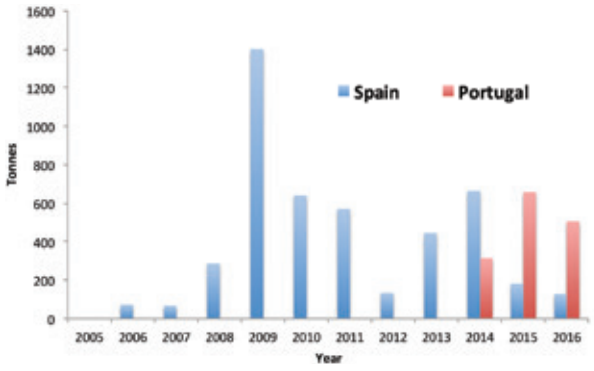
Figure 1: Frozen swordfish[1]

(a) Imports from Belize reported by Spain and Portugal*



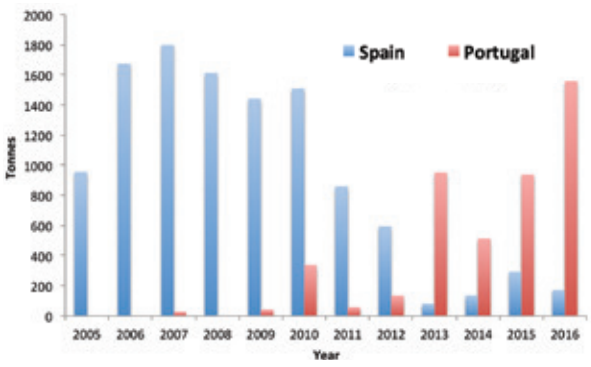
**Decisions:*
Yellow card: November 2012
Red card: November 2013
Blacklisting: March 2014
Delisting: December 2014

(b) Imports from Korea reported by Spain and Portugal*



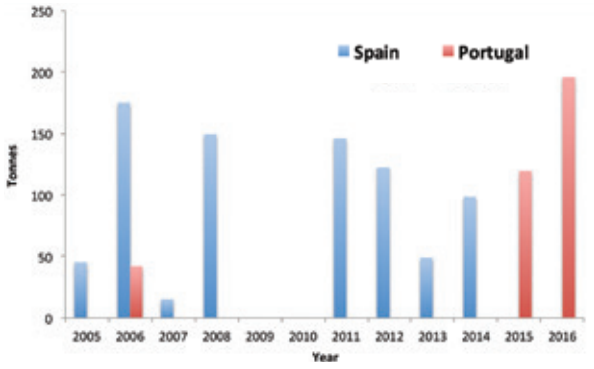
**Decisions:*
Yellow card: November 2013
Green card: April 2015

(c) Imports from Panama reported by Spain and Portugal*



**Decisions:*
Yellow card: November 2012
Green card: October 2014

(d) Imports from Taiwan reported by Spain and Portugal*

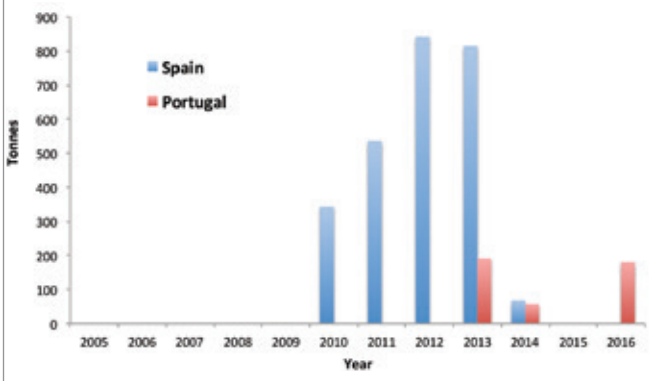


**Decisions:*
Yellow card: October 2015

(e) Intra-EU trade from Portugal to Spain

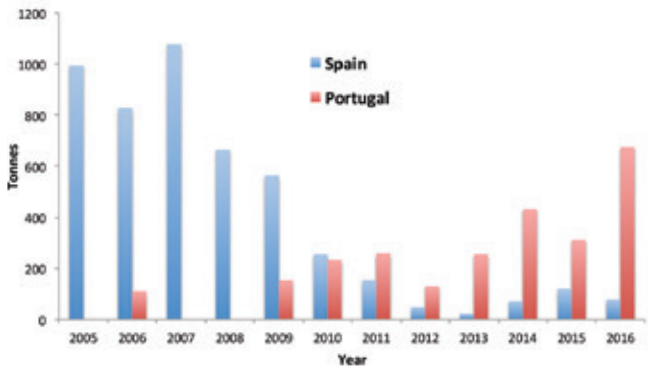
Figure 2: Frozen shark[2]

(a) Imports from Belize reported by Spain and Portugal*



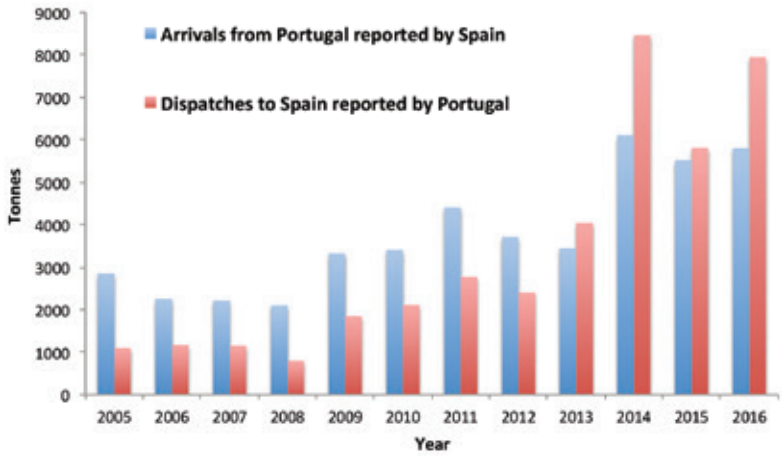
**Decisions:*
Yellow card: November 2012
Red card: November 2013
Blacklisting: March 2014
Delisting: December 2014

(b) Imports from Panama reported by Spain and Portugal*



**Decisions:*
Yellow card: November 2012
Green card: October 2014

(c) Intra-EU trade from Portugal to Spain



Notes:
[1] Reported under commodity codes 0303 79 87 (1991–2006), 0303 61 (2007–2011) and 0303 57 (2012–)
[2] Reported under commodity codes 0303 75 (up to 2011) and 0303 81 (2012–)

Shifts in trade flows between Spain and Portugal were also apparent for imports reported as 'preparations of surimi' from Korea (Table 7). During the period 2005–2016, imports to the two MS appeared to be interlinked, with higher volumes imported by Spain coinciding with lower volumes imported by Portugal, and vice versa (Table 7(a)).

After 2011, Portugal emerged as the key importer, with imports to Spain dropping to zero during the period 2013–2016. From 2010 onwards, intra-EU trade from Portugal to Spain also increased, with consistently higher volumes reported as dispatched by operators in Portugal, than reported as arrivals in Spain (Table 7(b)). As in the case of swordfish, prior to 2010, reported arrivals and dispatches were relatively consistent. Further investigation is warranted to understand the reasons for these discrepancies.

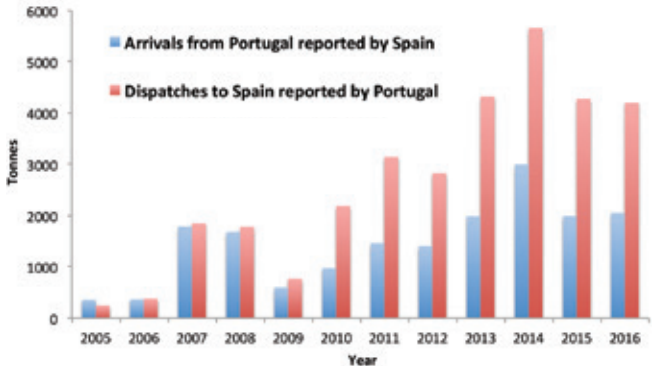
Table 7: Trends in imports of preparations of surimi[1] from Korea to Portugal and Spain, and intra-EU trade flows between Portugal and Spain*

*For intra-EU trade, the graphs include data reported by both the MS of dispatch (intra-EU export) and the MS of arrival (intra-EU import), to build a more complete picture of trade within the EU. For further explanation of intra-EU trade data, including possible reasons for discrepancies between arrivals and dispatches, see Methodology section.

(a) Imports from Korea reported by Spain and Portugal*

**Decisions:*
Yellow card: November 2013
Green card: April 2015

(b) Intra-EU trade from Portugal to Spain



Notes:
[1] Reported under commodity code 1604 20 05

Example 3: High risk commodities transiting via the Netherlands

The Netherlands is a major importer of processed tuna from Thailand, with significant volumes entering the EU through Rotterdam port for onward transport to markets in Germany and other MS[178].

Several potentially inter-related shifts in trade flows were observed following Thailand's yellow card in April 2015.

In the 12-months following the yellow card, imports of processed tuna reported by the Netherlands from Thailand increased by around 25%, while imports reported by other key MS from Thailand declined (Table 8(a), (b) and (d)). Imports of processed tuna reported by Germany, primarily canned tuna and other products excluding loins, declined by around 40% (see data for 2015–2016 in Table 8(b)), while imports of processed tuna reported by Spain also declined by around 20% (see data for 2015–2016 in Table 8(d)), of which 80% (approx.) involved tuna loins and 20% (approx.) involved canned tuna and other products. As a result, in 2015–2016, the Netherlands' share of total EU imports of processed tuna from Thailand increased to 12%, compared to 4–8% in the preceding 10-year period (with the exception of 11% in 2010) (Table 8(a)). This trend was not seen for imports of processed tuna to the Netherlands from other third countries (Table 8(a)).

Further analysis revealed an increase in intra-EU trade in processed tuna from the Netherlands to the rest of the EU, including to Germany and Spain, in 2015-16 (see Table 8(c) and (e)). It is possible that at least some of this trade involved products previously imported from Thailand. In 2016, the Netherlands imported around 620 tonnes of prepared tuna loins from Thailand, exceeding the previous peak of 85 tonnes in 2015. As the Netherlands does not have a canning industry, these loins were likely destined for further processing in other MS.

It is possible that EU operators are shifting imports of processed tuna from Thailand via Dutch ports to take advantage of less burdensome IUU import controls, as is known to occur for health inspection procedures[179]. At Rotterdam port – the EU's largest container port – ensuring the smooth and uninterrupted flow of products is a priority[180]. From an IUU control perspective, the Netherlands rejected just one consignment in 2014/15 (see Annex I), and verifications are generally resolved rapidly with the third country concerned[181].

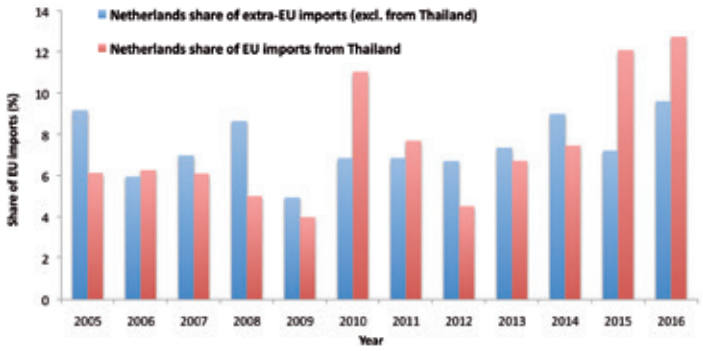
It is also noted that in 2015 and 2016, dispatches of processed tuna reported by the Netherlands far exceeded arrivals reported by Germany and Spain as MS of destination (Table 8(c) and (e)). This represented a marked change from the preceding period, warranting further attention.

178 Netherlands Food and Consumer Product Safety Authority (NVWA), pers. comm., July 2017.
179 UK industry, pers. comm. to coalition, June 2017.
180 Netherlands Food and Consumer Product Safety Authority (NVWA), pers. comm., July 2017.
181 Ibid.

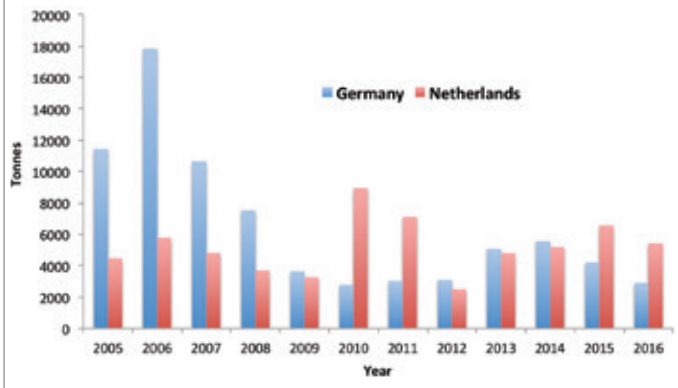
Table 8: Trends in imports of processed tuna[1] from Thailand to Germany, the Netherlands and Spain, and intra-EU trade flows from the Netherlands*

*For intra-EU trade, the graphs include data reported by both the MS of dispatch (intra-EU export) and the MS of arrival (intra-EU import), to build a more complete picture of trade within the EU. For further explanation of intra-EU trade data, including possible reasons for discrepancies between arrivals and dispatches, see Methodology section.

(a) Netherland's share of total EU imports of processed tuna from Thailand and other third countries (2005–2016)

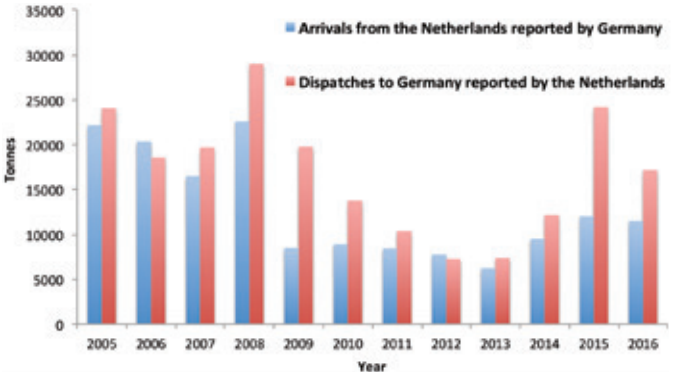


(b) Imports of processed tuna (including prepared loins and canned products) from Thailand reported by Germany and the Netherlands

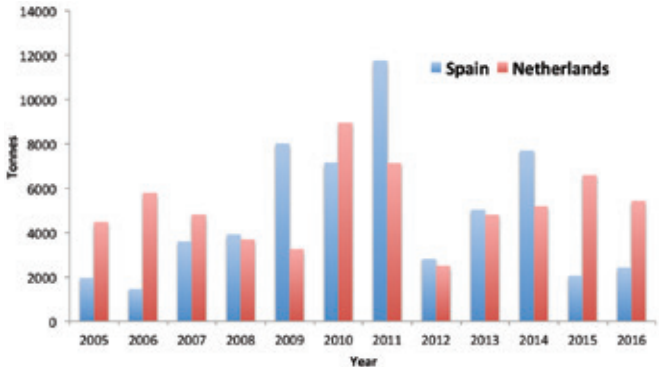


**Decisions:*
Yellow card: April 2015

(c) Intra-EU trade in processed tuna (including prepared loins and canned products) from the Netherlands to Germany

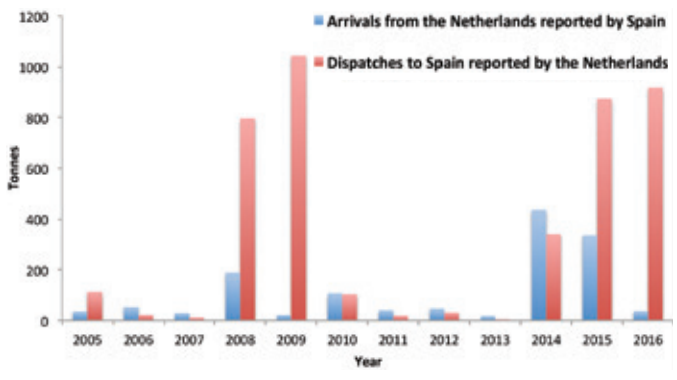


(d) Imports of processed tuna (including prepared loins and canned products) from Thailand reported by Spain and the Netherlands*



**Decisions:*
Yellow card: April 2015

(e) Intra-EU trade in processed tuna (including prepared loins and canned products) from the Netherlands to Spain

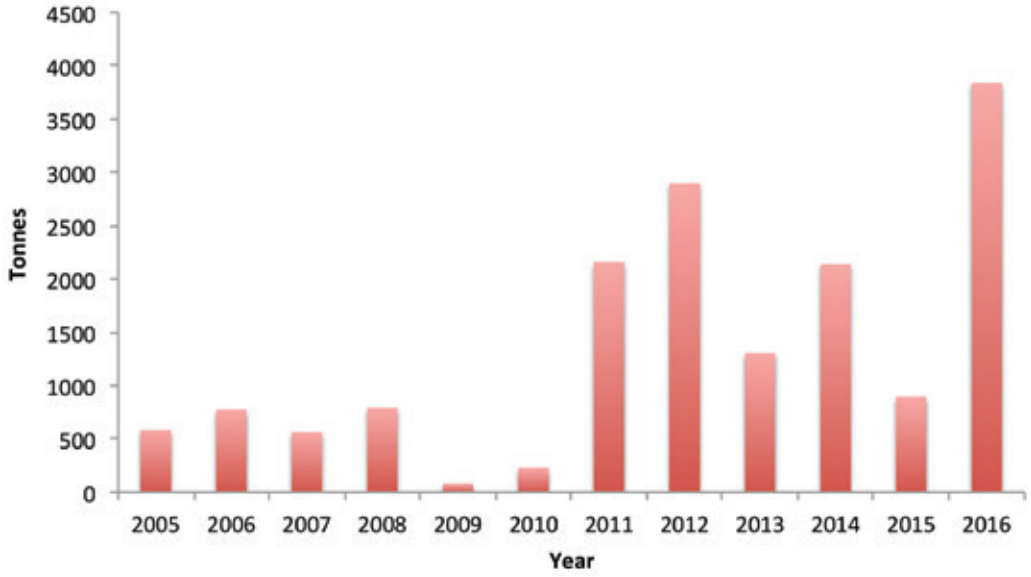


Notes:
[1] Reported under HS6 code 1604 14 and CN8 code 1604 20 70

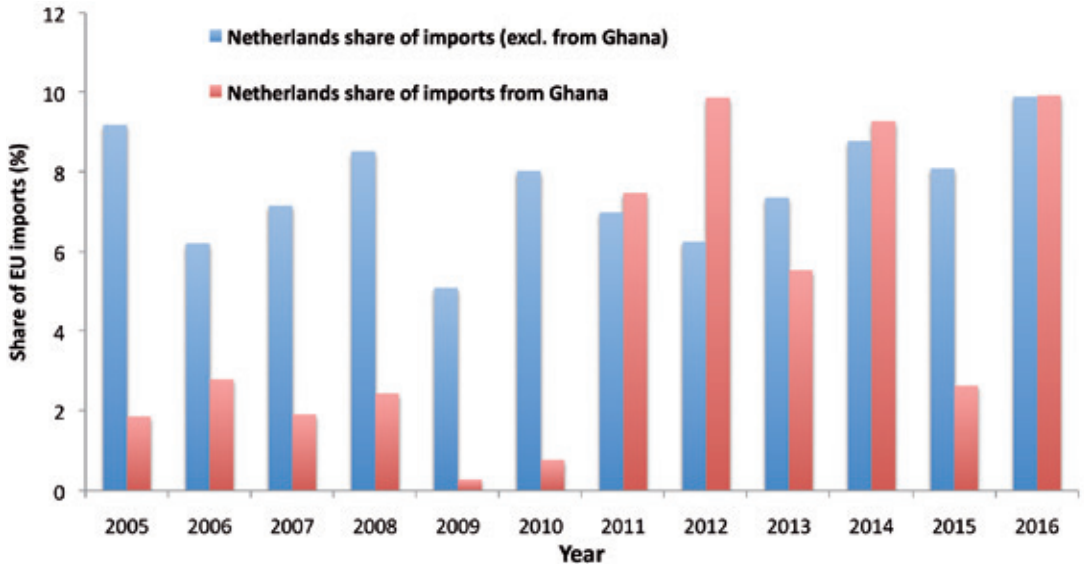
Finally, it is noted that the Netherlands reported increased imports of processed tuna from Ghana from 2011 onwards (Table 9(a)). During the six-year period 2005–2010, the Netherlands absorbed on average 2% (approx.) of EU imports of processed tuna from Ghana annually. During the six-year period 2011–2016, the Netherlands' share increased to an annual average of 7% (approx.) (Table 9(b)).

Table 9: Trends in imports of processed tuna[1] from Ghana to the Netherlands

(a) Imports of processed tuna (including prepared loins and canned products) from Ghana reported by the Netherlands



(b) Netherland's share of total EU imports of processed tuna from Ghana and other third countries (2005–2016)



Notes:
[1] Reported under HS6 code 1604 14 and CN8 code 1604 20 70

Example 4: Trade anomalies reported by smaller importing MS

Import fluctuations were also observed for a number of smaller importing MS coinciding with the carding of third countries. Notable examples include:

- Increased imports of prepared and preserved fish reported by Austria from: (i) PNG prior to, and during the period of, the yellow card; and (ii) the Philippines following the yellow card.
- Increased imports of prepared and preserved fish reported by Romania from the Philippines around the time of the yellow card, and again following the green card.
- Increased imports of fresh/chilled fish fillets and meat from Sri Lanka reported by: (i) the Czech Republic prior to and during the yellow card, and after the blacklisting; and (ii) Poland during the period of the yellow card.
- Increase in imports of prepared and preserved tuna reported by Latvia from Thailand prior to and following the yellow card.

Discussion

There is significant evidence that the IUU Regulation CC scheme and third country carding process have had a direct impact on seafood trade flows to the EU since the Regulation's entry into force in 2010.

Due to the complexities inherent in seafood trade dynamics, the impacts of the IUU Regulation can be difficult to isolate from the influence of other factors, such as the conclusion of trade agreements or removal of tariff barriers. For example, in PNG, an interim EPA became effective at the end of 2009, just prior to the Regulation's entry into force, while the Philippines became a GSP+ beneficiary during the period of the yellow card, which affected tariffs on prepared tuna exports. Health concerns have also played a role, as seen in recent years with the rejection of canned tuna from Thailand under EU health and sanitary legislation. New MS joined the EU during the period of study (Bulgaria and Romania in 2007, and Croatia in 2013); although less significant in terms of trade volumes, this may also have influenced imports and/or intra-EU trade flows.

Other factors that may have impacted trade flows include the 2007–2008 financial crisis, exchange rate fluctuations, shifts in consumer preferences and changes in demand from other key market States.

To further complicate matters, where two carded countries were major exporters of a commodity to the EU, the carding of one country may have influenced trade flows from the other, or vice versa. For example, as difficulties arose in securing compliant canned tuna from Ghana[182], EU operators may have turned to other (future) carded countries, such as the Philippines, to ensure continuation of supply.

This analysis attempted to isolate shifts in trade flows related to the IUU Regulation by looking at fluctuations in import data relative to the specific months of the carding decisions. This finer scale of resolution made it possible to identify more subtle shifts in trade flows that may not be picked up through an analysis of annual import trends. As noted in Section 2, where similar patterns/trends were observed for imports from several exporting third countries, carded in different months/years, this suggested that the shifts in trade flows to the EU were related to the impacts of the IUU Regulation as opposed to other influencing factors (such as those noted above).

Fluctuations in import flows included gradual or abrupt increases or declines in import volumes following the Regulation's entry into force and carding decisions. Trade anomalies, such as random peaks in trade, the emergence of new trading partners, and significant and sudden increases in import volumes, were also observed.

The potential impact of the IUU Regulation on trade dynamics appeared to differ depending on the specific import flow concerned. Imports of certain commodities declined across all MS following the Regulation's entry into force suggesting a possible shift in trade flows to other (non-EU) markets. This was observed for imports of molluscs (cuttlefish, octopus and squid) from Korea, Taiwan and Thailand. It could be that the risks of IUU fishing were unacceptable for these trade flows, and that alternative (compliant) sources were available to satisfy EU demand. Alternatively or additionally, for suppliers, non-EU markets with less stringent import requirements may have been a more attractive prospect.

For commodities such as swordfish and yellowfin tuna it was more common to observe shifts in trade flows between importing MS, as opposed to the diversion of trade away from the EU entirely. In other words, while total imports to the EU remained (relatively) constant overall, the composition of importing MS receiving those commodities changed over time.

The analysis identified two main trends, examples of which were provided in **Section 2** above:

- **Shifts in higher-risk imports to markets in certain importing MS**

  This trend indicates a willingness on the part of operators in some MS (more than in others) to accept the IUU fishing risk associated with imports, for example, once shortcomings in fisheries management are identified for a carded third country. This may be linked to declines in prices following a yellow carding decision, where the identified IUU fishing risk makes a product less attractive to the market overall. A weak regulatory environment, in terms of inadequate implementation of import controls and a low likelihood of detection of non-compliant products, may mean that operators in some MS are willing to continue (or begin) trading in products from yellow-carded countries, to take advantage of declines in prices.

  Loss of market share in a MS may result from the operating culture (standards expected by consumers or industry associations, CSR policies, etc.), and/or from strict controls imposed by the authorities charged with implementation of the IUU Regulation. As seen in Spain, operators may adapt their sourcing/risk management policies in line with risks identified in the carding process[183]. MS may also take the decision to place imports from yellow-carded countries under additional scrutiny, e.g. Spain's stance on tuna imports from Ghana during the period of the yellow card.

182 https://stopillegalfishing.com/press-links/tuna-imports-held-at-uk-ports-following-warnings-of-illegal-fishing/
183 http://www.iuuwatch.eu/2017/04/eroski-decides-align-tuna-procurement-policy-sustainability/

It may also be inferred that, for the commodities concerned, EU markets are especially lucrative/attractive, due to higher prices or preferential tariffs for imports compared to other markets. In certain third countries, seafood export industries have evolved specifically to supply the EU market and may be relatively uncompetitive globally[184]. For such reasons, following loss of market share in one MS, these countries may seek alternative markets within the EU before looking to export products elsewhere. There may also be a race to trade with EU operators following a yellow card (e.g. to offload stockpiles of a certain product), in anticipation of any future trade ban.

- **Diversion of high-risk trade to alternative points of entry in the EU for onward transit to the desired market**

  As outlined in the Introduction, a recent study identified significant disparities between MS as regards standards for checking and verifying CCs for imports of seafood to the EU (see Annex I)[185]. The study concluded that, as a result of these disparities, imports were likely entering the EU through 'weaker' border posts, to avoid delays associated with verifications and minimise the likelihood of consignments being rejected.

  The trends identified in this study provide further evidence in support of this conclusion. Apparent diversions of trade were identified between Spain and Portugal around the time of several carding decisions, with Portugal potentially used as an alternative point of entry for products destined for the Spanish market. This trend appears to have continued following the lifting of the yellow cards, indicating that this continues to be the preferred mode of operation, for economic or other reasons. Italy and the Netherlands were also identified as possible points of entry for products destined for other MS. Although this may reflect commercial decision-making rather than any attempt to willingly evade controls, such trends warrant further attention to ensure non-compliant products are not reaching the EU market.

Conclusions and Recommendations

This analysis has demonstrated the potential use of strategic trade monitoring to inform implementation of import controls under the IUU Regulation. Relatively simple analyses of publicly available trade datasets can assist in identifying weaknesses in import controls, and indicate where non-compliant products may be entering the EU market. Trade analysis can also confirm suspected shifts in the origin and destination of imports resulting from border controls and the carding process. This was seen for the reflagging of Sri Lankan vessels to the Maldives following the Sri Lankan import ban, and the diversion of swordfish imports to Portugal following increased verifications in Spain.

Strategic trade monitoring is a low-cost but currently under-used tool that could assist MS in improving implementation of the IUU Regulation CC scheme, especially given the vast number of CCs received each year. Such analyses should be integrated into MS procedures for risk management, as is currently taking place in Spain, as well as any guidance developed at the EU level by the European Commission and/or European Fisheries Control Agency (EFCA). This would support implementation of the IUU Regulation's common Community risk criteria, as outlined in the section entitled **Background to this study**.

The future EU-wide database of CC information, currently being developed by the European Commission, presents further opportunities for strategic trade monitoring. Once complete, this would allow additional information (e.g. on flag States of origin and processing countries) to be cross-referenced against data in Eurostat, to aid interpretation of trends. Together, these datasets could present a powerful tool to identify trade anomalies or discrepancies indicative of IUU fishing activities.

Trade data analysis does, however, have its limitations and discussions with stakeholders (operators, authorities, etc.) are key to fully understanding the trends identified in this report. There are inherent difficulties in linking import data with intra-EU trade data due to a lack of information in the latter on country of origin, while intra-EU trade data may be incomplete or not comparable across MS. Reporting itself is also an issue, including the failure to use available species or commodity-specific customs codes, or misreporting of trade under incorrect codes. For some products, the lack of sufficiently specific customs codes hinders the effective monitoring of trade, for example, the lack of species-specific codes for frozen tuna fillets, and inclusion of fresh tuna fillets within general product categories.

The intention of this study is not to suggest that the anomalies or fluctuations identified necessarily involve products originating from IUU fishing. Rather, the intention is to shed light on seafood trade flows to individual MS and between EU countries, with a view to directing further enquiries and enforcement effort.

184 For example, certain African, Caribbean and Pacific (ACP) countries whose export industries are honed to the EU as the single market. See, for example: http://ec.europa.eu/trade/policy/countries-and-regions/development/economic-partnerships/ and http://trade.ec.europa.eu/doclib/docs/2008/march/tradoc_138081.pdf

185 EJF, Oceana, The Pew Charitable Trusts and WWF (2017). *The EU IUU Regulation: Analysis of implementation of EU seafood import controls*. http://www.iuuwatch.eu/2017/03/analysis-member-states-progress-implementation-import-controls-iuu-regulation/.

The findings have several policy implications:

- Examples of trade diversions highlight the need for harmonised and effective implementation of the IUU Regulation CC scheme to secure a level playing field for operators and to ensure weaker border controls are not exploited as a route for non-compliant products to enter the EU market.

- There is a clear need for an electronic CC database to allow for information on consignments to be exchanged between MS, and to ensure that products rejected in one MS are not permitted entry to the EU market via another MS.

- The (re-)routing of high-risk products via certain transit MS shows how effective coordination between the transit and destination MS is needed to ensure that CCs are effectively scrutinised and do not 'slip through the cracks'.

- While a limited number of MS are responsible for the majority of import flows to the EU, smaller (and even landlocked) importing MS may still be implicated as alternative destination markets, or routes to market for high-risk seafood. All MS thus have a shared responsibility to implement effective import controls at their borders.

Based on the findings set out in this report, we recommend the following:

To EU Member States

1. Carry out further enquiries into the import fluctuations and intra-EU trade discrepancies identified in this report, particularly in the case of significant or repeated anomalies/shifts in trade, to confirm compliance of import flows with the IUU Regulation.

2. Incorporate strategic trade monitoring into risk management procedures in support of CC scheme implementation, and corroborate with CC data in the future EU-wide IT system.

3. Improve cooperation between MS of transit and of destination to ensure CCs and consignments are effectively scrutinised.

4. Improve trade reporting (including at intra-EU level) and use of available species-specific commodity codes to facilitate the robust analysis of trade flows.

To the European Commission

1. Ensure the improved and harmonised implementation of the IUU Regulation CC scheme, through: (i) development, testing and mandatory application of an EU-wide methodology for risk management, which should be integrated as a tool within the future EU IT system, (ii) provision of clear guidance to MS on procedures for the checking and verification of CCs, and (iii) establishment of EU-wide training standards for competent MS officials.

2. Incorporate strategic trade monitoring into EU-wide risk management procedures in support of CC scheme implementation, and corroborate with CC data in the future EU-wide IT system.

3. Following the establishment of the EU IT system, publish key CC data (excluding any nominal or sensitive information), including on flag State of origin, processing country, area of catch and weight of consignment, to allow for external monitoring of trends.

4. Introduce species-specific seafood commodity codes within the EU's Combined Nomenclature to facilitate the accurate monitoring of trade flows, particularly for fresh and frozen fillets of tuna.

To Industry

1. Exert due diligence over supply chains to ensure compliance of products with applicable laws and management measures.

2. Implement adequate traceability systems to ensure that claims of legality can be effectively and efficiently verified.

Annex I

Key statistics on import CCs and verifications for the 28 MS in 2014/15

Member state	No. of import CCs	No. of third country verifications	No. of refusals	% import CCs subject to third country verification	% CCs validated by carded third countries
Austria	748	18	5	2.41%	31.38%
Belgium	4063	0	0	0	4.52%
Bulgaria	738	9	0	1.22%	5.12%
Croatia	1331	19	0	1.43%	15.40%
Cyprus	2293	47	0	2.05%	20.53%
Czech Rep.	2626	36	2	1.37%	33.43%
Denmark	42017	240	1	0.57%	1.14%
Estonia	1209	50 (approx.)	1	4.16%	25.54%
Finland	3142	43	6	1.37%	25.40%
France	88345 (approx.)	66	12	0.07%	6.58% (approx.)
Germany*	90000	70	2	0.08%	–
Greece	8247	102	1	1.24%	5.67%
Hungary	124	0	0	0	17.14%
Ireland	2348	558	2	23.8%	3.39%
Italy	57172	2	0	0.003%	21.25% (approx.)
Latvia	1241	1	0	0.08%	3.73%
Lithuania	2956	6	0	0.20%	5.53%
Luxembourg	6	0	0	0	0%
Malta	896	0	0	0	18.30%
Netherlands	30335	511	1	1.68%	14.02%
Poland	9862	68	10	0.69%	7.28%
Portugal	12208	57	11	0.47%	3.22%
Romania	1023	0	0	0	34.36%
Slovak Republic	275	0	0	0	23.00%
Slovenia	439	45	0	10.3%	20.44%
Spain	105365	1643	58	1.56%	2.56%
Sweden**	60000 (approx.)	0	0	0	–
UK	49313	81	15	0.16%	13.39%

Source: http://www.iuuwatch.eu/wp-content/uploads/2017/03/IUU_Import-controls_report_ENG.pdf

Notes:
Grey shading indicates data for 2012/13.
* Germany did not report information on flag States of origin in its biennial reports from 2010 to 2015.
** Data on flag States of origin reported in Sweden's biennial reports were insufficient to calculate the percentage of CCs validated by carded third countries.

The Environmental Justice Foundation (EJF), Oceana, The Pew Charitable Trusts and WWF are working together to secure the harmonised and effective implementation of the EU Regulation to end illegal, unreported and unregulated (IUU) fishing.

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In March 2017 the NGOs published an assessment of member state progress in implementing the Regulation, compiled using an access to information request. You can find it at http://www.iuuwatch.eu/2017/03/analysis-member-states-progress-implementation-import-controls-iuu-regulation/

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