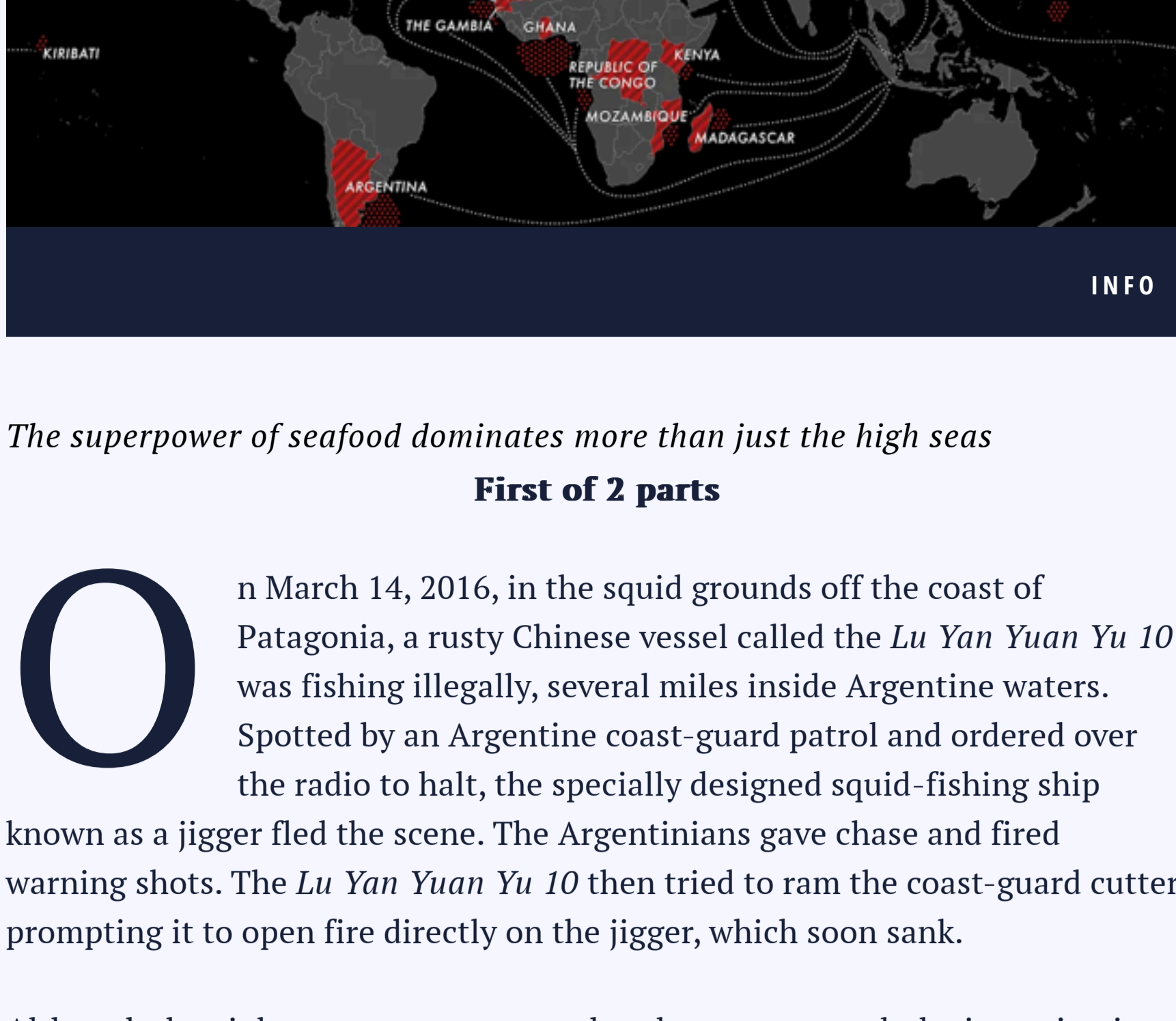


CHINA

Taking over from the inside: China’s growing reach into local waters

AUG 4, 2024 5:30 PM PHT

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The superpower of seafood dominates more than just the high seas

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On March 14, 2016, in the squid grounds off the coast of Patagonia, a rusty Chinese vessel called the *Lu Yan Yuan Yu 10* was fishing illegally, several miles inside Argentine waters. Spotted by an Argentine coast-guard patrol and ordered over the radio to halt, the specially designed squid-fishing ship known as a jigger fled the scene. The Argentinians gave chase and fired warning shots. The *Lu Yan Yuan Yu 10* then tried to ram the coast-guard cutter, prompting it to open fire directly on the jigger, which soon sank.

Although the violent encounter at sea that day was unusual, the incursion into Argentine waters by a Chinese squid jigger was not. Owned by a state-run behemoth called the China National Fisheries Company, or CNFC, the *Lu Yan Yuan Yu 10* was part of a fleet of several hundred Chinese jiggers that makes annual visits to the high-seas portion of the fishing grounds that lie beyond Argentina’s territorial waters.

During their visits, many of these jiggers turn off their locational transponders and cross secretly into Argentine waters, where they are not permitted. Since 2010, the Argentine navy has chased at least 11 Chinese squid vessels out of Argentine waters for suspected illegal fishing, according to the government.

A year after the illegal incursion and sinking of the *Lu Yan Yuan Yu 10*, Argentina’s Federal Fishing Council issued a little-noticed announcement: it was granting fishing licenses to two foreign vessels that would allow them to operate within Argentine waters. Both would sail under the Argentine flag through a local front company, but their true “beneficial” owner was CNFC.

This decision was noteworthy because it seemed to violate Argentine regulations that not only forbid foreign-owned ships from flying Argentina’s flag or fishing in its waters, but also prohibit the granting of fishing licenses to ship operators with records of illegal fishing in Argentine waters.

“The decision was a total contradiction,” said Eduardo Pucci, a former Argentine fisheries minister who now works as a fishing consultant.

The move by local authorities may have been a contradiction, but it is an increasingly common one in Argentina and elsewhere around the world. In recent years, from South America to Africa to the far Pacific, China has been buying its way into restricted national fishing grounds, primarily using a process known as “flagging in.” This method typically involves the use of business partnerships to register foreign ships under the flag of another country, thereby allowing those vessels to fish in that country’s territorial waters.

Chinese companies now control at least 62 industrial squid-fishing vessels that fly the Argentine flag, which constitutes most of the country’s entire squid fleet. Many of these companies have been tied to a variety of crimes, including dumping fish at sea, turning off their transponders, and engaging in tax evasion and fraud. Trade records show that much of what is caught by these vessels is sent back to China, but some of the seafood is also exported to countries including the United States, Canada, Italy, and Spain.

China now operates almost 250 of these flagged-in vessels in the waters of countries including Micronesia, Kenya, Ghana, Senegal, Morocco, and even Iran.



Most national fisheries require vessels to be owned locally to keep profits within the country and make it easier to enforce fishing regulations. Flagging-in undermines those aims, said Duncan Copeland, the executive director of Trygg Mat Tracking, a non-profit research organization specializing in maritime crime.

And aside from the sovereignty and financial concerns, food security is also undermined by the export of this vital source of affordable protein, added Dyhia Belhabib, a principal investigator at Ecotrust Canada, a charity focused on environmental activism.

These hundreds of industrial fishing ships also complicate China’s ocean conservation goals. In 2017, after pressure from environmental groups about overfishing, Beijing announced that it would cap the size of its distant-water fleet at 3,000 vessels. But that tally does not take into account the growing number of industry ships that China owns and flags into other countries.

Over the past three decades, China has gained supremacy over global fishing by dominating the high seas with more than 6,000 distant-water ships, a fleet that is more than three times bigger than the next largest national fleet. When it came to targeting other countries’ waters, Chinese fishing ships typically sat “on the outside,” parking in international waters along sea borders, then running incursions across the line into domestic waters.

In recent years, China has increasingly taken a “softer” approach, gaining control from the inside by paying to flag in their ships so they can fish in domestic waters. Subtler than simply entering foreign coastal areas to fish illegally, the tactic — which is often legal — is less likely to result in political clashes, bad press, or sunken vessels.

China has not hidden how this approach factors into larger ambitions. In an academic paper published in 2023, Chinese fishery officials explained how they have relied extensively on Chinese companies, for example, to penetrate Argentina’s territorial waters through “leasing and transfer methods,” and how this is part of a global policy.

The trend is especially pronounced in Africa, where Chinese companies operate flagged-in ships in the national waters of at least nine countries on the continent — among them, notably, Ghana, where more than 135 Chinese fishing ships flying the Ghanaian flag are fishing in national waters, even though foreign investment in fishing is technically illegal. Nonetheless, up to 95% of Ghana’s industrial trawling fleet has some element of Chinese control, according to a 2018 report by the Environmental Justice Foundation, an advocacy group.

China has also displaced fishing vessels from the European Union, right on its doorstep, in the waters of Morocco. In the recent past, dozens of vessels, most of them from Spain, fished with the permission of the Moroccan government inside the African country’s exclusive economic zone. The agreement lapsed, however, in 2023 and China now operates at least six flagged-in vessels in Moroccan waters.

China has also established a growing presence across the Pacific Ocean. Chinese ships comb the waters of Fiji, the Solomon Islands, and the Federated States of Micronesia, having flagged in or signed access agreements with those countries, according to a report released in 2022 by the Congressional Research Service in the U.S.

“Chinese fleets are active in waters far from China’s shores,” the report warned, “and the growth in their harvests threatens to worsen the already dire depletion in global fisheries.”

As global demand for seafood has doubled since the 1960s, the appetite for fish has outpaced what can be sustainably caught. Now, more than a third of the world’s stocks have been overfished. To feed the demand, the proliferation of foreign industrial fishing ships, especially from China, risks collapsing domestic fish stocks of countries in the global south, while also jeopardizing local livelihoods and compromising food security by exporting an essential source of protein. Western consumers, particularly in Europe, the US, and Canada, are beneficiaries of this cheap and seemingly abundant seafood caught or processed by China.

In the past six years, more than 50 ships flagged to a dozen different countries but controlled by Chinese companies had engaged in crimes such as illegal fishing, unauthorized transshipments, and forced labor, according to an investigation by the Outlaw Ocean Project.

In one instance, a fisheries observer from Ghana went missing while working on the vessel. Four of the vessels showed a pattern of repeatedly turning off their automated tracking systems for longer than a day at a time while out on the Pacific, often at the edge of an exclusive economic zone.

Vessels “going dark” is a risk factor for illegal fishing and transshipment, marine researchers say, because it makes it harder for law enforcement to comprehensively track a vessel’s movement or see if it is likely engaged with other ships at sea.

“It’s a net transfer from poorer states who don’t have the capacity to protect their fisheries, to richer states who just want cheaper food products,” Isaac B. Kardon, Senior Fellow for China Studies at the Carnegie Endowment for International Peace, said.

But ocean sustainability and food security are by no means the only concern tied to the growth of China’s control of global seafood and penetration into foreign near-shore waters. Labor abuses and other crimes are a widespread problem with Chinese fishing ships.

In January 2019, as part of a four-year investigation, a team of reporters from The Outlaw Ocean Project boarded a Chilean fishing ship in Punta Arenas, Chile, where the crew recounted recently watching a Chinese captain on a nearby squid ship punching and slapping deckhands.

Later that year, the same team of journalists was reporting at sea off the coast of the West African nation of Gambia, where they boarded a Chinese ship called the *Victory 205*. There they found six African crew members sleeping on sea-soaked foam mattresses in a cramped and dangerously hot crawl space above the engine room of the ship, which was soon detained by local authorities for these labor and other violations.

In February 2022, the reporters boarded a Chinese squid jigger on the high seas near the Falkland Islands, where an 18-year-old Chinese deckhand nervously begged to be rescued, explaining that his and the rest of the workers’ passports had been confiscated. “Can you take us to the embassy in Argentina?” he asked.

Roughly four months later, the reporting team climbed onto another Chinese fishing ship in international waters near the Galapagos Islands, to document living conditions. As if in suspended animation, the crew of 30 men wore thousand yard stares. Their teeth were yellowed from smoking, their skin ashen, and their hands spongy from handling fresh squid. The walls and floors were covered in slippery ooze of squid ink. The deckhands said they worked 15-hour days, 6 days per week.

Mostly, they stood shin deep in squid, monitoring the reels to ensure they did not jam, and tossing their catch into overflowing baskets for later sorting. Below deck, a cook stirred instant noodles and bits of squid in a rice cooker. He said the vessel had run out of vegetables and fruit — a common cause at sea of fatal malnutrition.

In June 2023, the same reporters were contacted by Uruguayan authorities seeking help after a local woman stumbled across a message in a bottle, washed ashore, apparently thrown from a Chinese squidder.

“I am a crew member of the ship *Lu Qing Yuan Yu 765* and I was locked up by the company,” the message said. “When you see this paper, please help me call the police! Help, help.” [When contacted for comment, the ship’s owner Qingdao Songhai Fishery said “it was completely fabricated by individual crew members” and that Uruguayan police had looked into the matter.]

For most of the past decade, one dead body has been dropped off every other month on average in the port of Montevideo, Uruguay, mostly from Chinese squid ships. Some of the workers on these ships have died from beriberi, an easily avoidable and reversible form of malnutrition caused by a B1 vitamin deficiency that, experts say, is a warning sign of criminal neglect, typically caused on ships by eating too much white rice or instant noodles, which lack the vitamin.

At least 24 workers on 14 Chinese fishing ships suffered symptoms associated with beriberi between 2016 and 2021, according to a recent investigation by the Outlaw Ocean Project. Of those, at least 15 died. The investigation also documented dozens of cases of forced labor, wage theft, violence, the confiscation of passports and deprivation of medical care.

Many of these crimes have taken place on the high seas, beyond any country’s territorial jurisdiction. But increasingly, Chinese-owned vessels are fishing in the local waters of nations where policing is little better because governments lack the finances, the coast-guard vessels, or the political will to board and spot-check the ships. **(To be concluded) — Rappler.com**

NEXT: Flagging in: China’s new approach to maritime and seafood power

This story was produced by The Outlaw Ocean Project with reporting contributed by Maya Martin, Jake Conley, Joe Galvin, Susan Ryan, Austin Brush and Teresa Tomassoni. Bellingcat also contributed reporting.