

# China



## UK seafood industry exports from China 2018\*

Fish type	Value, £	Weight, tonnes
Cod	75,554,161	20,454
Pollack	32,417,947	15,614
Haddock	15,103,247	5,780
Salmon	20,241,963	4,070
Other fish	9,690,181	3,955
Cuttlefish and squid	13,104,648	3,288
Tilapia	3,530,782	2,072
Squid	3,776,926	974
Warm water shrimps and prawns	4,197,350	713
Surimi	717,154	540
Mackerel	982,955	522
Other shellfish	3,660,303	490
Prepared and preserved shrimps and prawns	2,784,282	404
Nephrops	869,877	237
Hake	403,030	199
Crabs	752,161	90
Mixed	321,776	79
Redfish	144,938	65
Crayfish	1,000,668	65
Catfish	70,188	55
Aquatic invertebrates	183,814	53
Eels	1,004,132	53
Monkfish	51,275	19
Coley	28,071	16
Octopus	67,789	12
Caviar	749,988	5
Other flat fish	16,537	4
Anchovies	21,669	3
Ornamental	52,648	1
Mussels	11,643	1

\*Source: Her Majesty's Revenue and Customs (HMRC).

## Introduction

This report is part of a series of country risk profiles that are designed to provide an understanding of the social risks associated with source countries that play a key role in the UK's seafood industry. Each report covers risks related to the production and processing of wild catch and aquaculture seafood products.

This report covers issues such as forced and child labour, working conditions, and impacts of the industry on local communities; and the mitigation efforts and regulatory frameworks put in place to address these issues.

This country risk profile has been compiled by Verisk Maplecroft on behalf of Seafish. Information on issues has been collated from publicly available sources, varying from international rankings and ratings, research by academics and other organisations, through to media articles. It has been prepared for general information only. You should not rely solely on its contents; always verify information from your own suppliers in your own supply chain. References for all information sources are provided.

## Overview

China is the world's largest producer of wild catch and aquaculture seafood. China's deep-sea fishing fleet is the largest in the world and operates in fisheries around the globe. The country's fish farming sector produces more fish than the rest of the world combined.<sup>1</sup> While most fisheries in China's EEZ are subject to declining annual quotas due to overfishing, the country's fishing fleet operates in fisheries around the globe. Its major exports to the UK include cod, Alaskan pollock, salmon and cephalopods. Due to its importance as the largest producer and processor of seafood, China has a significant ability to impact global trends in the industry.

## Social risks

**Chinese fishing vessels continue to be linked to the use of forced labour and other human rights abuses at sea.** According to the US Department of State's 2019 Trafficking in Persons Report for China, Chinese-flagged vessels have employed workers from countries in Asia and Africa under conditions akin to forced labour.<sup>2</sup> Workers from China, Thailand, Indonesia and other countries are reportedly duped by recruiters offering high-paying jobs on overseas vessels, but are placed into forced labour on vessels under dangerous working conditions, often for years at a time.<sup>3</sup> Small, Chinese flagged vessels avoid detection by offloading caught fish to motherships who then land the catch.

**Living and working conditions onboard Chinese vessels are often dangerous due to poor regulation of the fishing fleet.** In September 2019, two Chinese fishing vessels were apprehended off the coast of Ghana by Gambian authorities and the Sea Shepherd Conservation Society for illegal fishing. Once the boats were apprehended, authorities realised that the living conditions on the vessel were unsafe because the crew's quarters were in a crawl space between the engine room and wheelhouse.<sup>4</sup>

**Aggressive tactics used by Chinese vessels place workers on Chinese and foreign vessels at risk.** The Chinese government uses the country's fishing fleet, the largest in the world, as a proxy to military operations in disputed waters throughout South-East Asia. China has territorial disputes with its regional neighbours in the Spratly, Paracel and Senkaku Islands. The tensions over these disputes have occasionally turned violent, placing crews in harm's way. China's fishing vessels contribute to the tensions in these regions by supporting Chinese military forces on man-made islands and taking more aggressive actions such as ramming vessels from other countries.<sup>5</sup> For example, in March 2019 a Chinese vessel rammed into a Vietnamese fishing vessel in the Paracel Islands, sinking the Vietnamese vessel. While no one was killed in the incident, Vietnamese fishermen reported having to cling to the sinking boat while they awaited rescue.<sup>6</sup>

**The lack of independent trade unions in China increases the risk of abuses in seafood processing factories.** Under the 1992 Trade Union Law, workers may only organise in unions affiliated to the government-controlled All-China Federation of Trade Unions (ACFTU). The state's monopoly on political power disallows broader democratisation, making it highly challenging for workers to exercise their rights to free association.

The state-controlled ACFTU is typically unresponsive to workers' interest and constituent unions generally do not protect the rights of workers. The common perception amongst workers, especially migrant workers, is that the ACFTU is not an advocate of their interests. The ACFTU's role is limited to resolving labour disputes and to manage workers' grievances to avoid further unrest. Following the introduction of simplified procedures under the Labour Contract Law (LCL) in submitting labour dispute cases to arbitration committees, the number of cases rose exponentially – in 2007, 340,000 cases were reported as compared with 828,000 by the end of 2016.<sup>7</sup> This increase in labour disputes signal not only an increasing awareness of labour rights amongst workers, but also demonstrate the failure of the ACFTU in resolving workers' long-term grievances.

**There is evidence of exploitive working conditions in seafood factories. In 2017, an undercover investigation by iFeng News found that shrimp factories in Zhanjiang were employing female workers under exploitive conditions.** Workers alleged that the factory also used child workers who were as young as primary school age to work in the factory during school holidays. New employees had to pay an RMB 20 (GBP 2.17) deposit to begin working in the factory. Workers also had to purchase their own protective shoes and gloves needed for peeling shrimp. Employees in the factory were paid based on the volume of shrimp they processed and most experienced workers worked 12 hour days and earned about RMB 60 (GBP 6.76) per day.<sup>8</sup> In 2018, the owner of a seafood factory operated by Qingdao Aquatic Products Ltd. was arrested after he refused to comply with court orders to pay over RMB 2 million (GBP 21,744) in unpaid wages owed to over 200 workers.<sup>9</sup>

## Regulations and risk mitigation

**China's legal framework against forced labour is not sufficient to prevent violations.** China's Criminal Law stipulates that both forced labour and human trafficking are criminal offences and extends jurisdiction of criminal law to Chinese flagged vessels. However, there are some gaps in the law that weaken the deterrence for Chinese seafood companies against forced labour and trafficking. Firstly, trafficking only applies to the trafficking of women and children, meaning that companies cannot be prosecuted for trafficking adult males. The other weakness in the law is that the legal extension of criminal law to Chinese persons and businesses operating overseas only applies to criminal violations that have a maximum prison sentence of more than three years, and the maximum sentence for forced labour violations is only three years.

Other gaps in Chinese regulations leave workers on fishing vessels at risk of exploitation. Although China adopted the Maritime Labour Convention in 2018, the ILO notes that there are several gaps in Chinese legislation that ensure compliance with the regulation. For example, China regulates the maximum hours for workers on vessels who are under the age of 18 but gives no indication of the working hour limitations for adult workers.<sup>10</sup>

**While there is much room for improvement, the Chinese government is taking steps to improve safety provisions for workers on fishing vessels.** In July 2019, the Bureau of Fisheries of the Ministry of Agriculture and Rural Affairs held a workshop to discuss potential implementation of the International Maritime Organisation's Cape Town Agreement.<sup>11</sup> While the government has warned that implementation of the agreement's standards would be challenging due to the size of China's international fishing fleet, it would have a significant impact on maritime safety if it were to consent to the agreement.

## International conventions and rankings

The following tables indicate which international labour conventions China has ratified. The ratification of these conventions is a good indicator of a source country's commitment to enforcing internationally accepted best practices in the seafood industry when combined with thorough national legislation and well-resourced enforcement mechanisms.

International Labour Organization (ILO) Conventions	Ratification
Freedom of Association and Protection of the Right to Organise (No. 87)	No
Right to Organise and Collective Bargaining (No. 98)	No
Forced Labour (No. 29)	No
Abolition of Forced Labour (No. 105)	No
Equal Remuneration (No. 100)	Yes
Discrimination (Employment and Occupation) (No. 111)	Yes
Minimum Age (No. 138)	Yes
Worst Forms of Child Labour (No. 182)	Yes
Hours of Work (Industry) (No.1)	No
Weekly Rest (Industry) (No.14)	Yes
Protection of Wages (No. 95)	No
Minimum Wage Fixing (No.131)	No
Occupational Safety and Health (No. 155)	Yes
Occupational Health Services (No. 161)	No
Labour Inspection (No. 81)	No
Private Employment Agencies (No. 181)	No
Maritime Labour Convention (No. 186)	Yes
Working in Fishing Convention (No. 188)	No

United Nations (UN) Conventions	Ratification
Convention against Transnational Organized Crime and the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children	Yes
Convention against Transnational Organized Crime	Yes
Convention for the Suppression of the Traffic in Persons and of the Exploitation and the Prostitution of Others	No
Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families	No
Convention to Suppress the Slave Trade and Slavery	No
Supplementary Convention on the Abolition of Slavery, Slave Trade and Institutions and Practices Similar to Slavery	No
Protocol against the Smuggling of Migrants by Land, Sea and Air	No

  

Other Conventions	Ratification
FAO Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing	No

## Rankings in global indices

### US Department of State Trafficking in Persons (TIP) Report

The TIP report is released annually by the US Department of State and offers a summary of the laws and enforcement efforts of various countries with respect to human trafficking. Specifically, it ranks countries based on a '3P paradigm' of prosecuting traffickers, protecting victims and preventing crime. Scoring on these elements is then collated to give each country a ranking. The rankings range from Tier 1 which indicates governments of countries that fully comply with the Trafficking Victims Prevention Act (TVPA) minimum standards for the elimination of trafficking to Tier 3 for the governments of countries that do not fully comply with the TVPA's minimum standards and are not making significant efforts to do so.

#### Rating: Tier 3

According to the US Department of State's 2019 Trafficking in Person's report, China does not meet the minimum standards for the elimination of trafficking and is not making significant effort to do so. The report mentions that Chinese fishing vessels are involved in the trafficking of people and use of forced labour.<sup>12</sup>

### Global Slavery Index

The 2018 Global Slavery Index measures the extent of modern slavery country by country, and the steps governments are taking to respond to this issue, to objectively measure progress toward ending modern slavery.

There are two rankings:

1. Rankings of countries by prevalence of the population in modern slavery. Rankings range from 1 to 167 - with 1 the worst and 167 the best, in terms of the prevalence of slavery.
2. Rank of countries in terms of government response to the issue. This is an indication of how governments are tackling modern slavery. This ranking ranges from AAA at the top to D at the bottom, with AAA denoting the most effective and comprehensive government response.

#### For prevalence China's ranking is 111/167 (where a ranking of 1 indicates highest risk).

The Global Slavery Index rates China as a moderate risk for the prevalence of forced labour but gives the government a low rating for its response to the issue. According to the special report on fishing, China is identified as one of the highest risk countries for the issue of forced labour in the seafood sector.<sup>13</sup>

In terms of government response China ranks CC. This indicates the government has a limited response to modern slavery, with largely basic victim support services, a limited criminal justice framework, limited coordination or collaboration mechanism, and few protections for those vulnerable to modern slavery. There may be evidence that some government policies and practices facilitate slavery. Services are largely provided by IOs/NGOs with limited government funding or in-kind support.

## EU Illegal, Unreported and Unregulated Fishing Carding Process/Watch List

Under the IUU Regulation, non-EU countries identified as having inadequate measures in place to prevent and deter this activity may be issued with a formal warning (yellow card) to improve. If they fail to do so, they face having their fish banned from the EU market (red card) among other measures.

China is not on the EU IUU watch list.

## Endnotes

- 1 UN Food and Agriculture Organization, 2018, The State of World Fisheries and Aquaculture 2018, Available at <http://www.fao.org/3/i9540en/i9540en.pdf>
- 2 US Department of State, 23 July 2019, 2019 Trafficking in Persons Report, Available at <https://china.usembassy-china.org.cn/trafficking-in-persons-report-2019/>
- 3 The Straits Times, 29 May 2019, Floating sweatshops: Is the fish you eat caught by 'slaves'?, Available at <https://www.straitstimes.com/asia/se-asia/floating-sweatshops-is-the-fish-you-eat-caught-by-slaves>
- 4 ARX Marine, 3 September 2019, Two Chinese fishing trawlers arrested in Ghana over illegal fishing practices, Available at <https://arxmaritime.com/news/two-chinese-fishing-trawlers-arrested-in-ghana-over-illegal-fishing-practices/>
- 5 Center for Strategic and International Studies, 9 January 2019, Illuminating the South China Sea's Dark Fishing Fleets, Available at <https://ocean.csis.org/spotlights/illuminating-the-south-china-seas-dark-fishing-fleets/>
- 6 Tuoi Tre News, 7 March 2019, Chinese vessel sinks Vietnamese fishing boat near Hoang Sa, Available at <https://tuoitre-news.vn/news/society/20190307/chinese-vessel-sinks-vietnamese-fishing-boat-near-hoang-sa/49196.html>
- 7 China Labour Bulletin, 28 December 2017, A decade on, China's Labour Contract Law has failed to deliver, Available at <https://clb.org.hk/content/decade-china-s-labour-contract-law-has-failed-deliver>
- 8 iFeng, 25 May 2017, We peeled shrimp for five days at Zanjiang Seafood Factory and earned 60 yuan (Mandarin), <http://wemedia.ifeng.com/16786927/wemedia.shtml>
- 9 Sohu, 26 January 2018, A fishery company in Qingdao has arrears over 2 million in wages (Mandarin), Available at [http://www.sohu.com/a/219249335\\_718281](http://www.sohu.com/a/219249335_718281)
- 10 International Labour Organisation, 2019, Supervising the application of International Labour Standards, Available at [https://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100\\_COMMENT\\_ID,P11110\\_COUNTRY\\_ID,P11110\\_COUNTRY\\_NAME,P11110\\_COMMENT\\_YEAR:3962374,103404,China,2018](https://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P11110_COUNTRY_ID,P11110_COUNTRY_NAME,P11110_COMMENT_YEAR:3962374,103404,China,2018)
- 11 Human Rights at Sea, 6 August 2019, China fishing vessel safety workshop looks towards treaty ratification, Available at <https://www.humanrightsatsea.org/2019/08/06/china-fishing-vessel-safety-workshop-looks-towards-treaty-ratification/>
- 12 US Department of State, 23 July 2019, 2019 Trafficking in Persons Report, Available at <https://china.usembassy-china.org.cn/trafficking-in-persons-report-2019/>
- 13 Global Slavery Index, 2018, Findings on importing risk: Fishing, Available at <https://www.globalslaveryindex.org/2018/findings/importing-risk/fishing/>

For further information see the Seafish ethics in Seafood web page.  
Available at: <https://www.seafish.org/article/ethics-in-seafood>