Mr. Virginijus Sinkevičius Commissioner for Environment, Oceans and Fisheries European Commission

Sent by email to:

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Brussels, 1st September 2022

## Subject: Including Russian seafood and fishing vessels in upcoming EU sanctions

Dear Commissioner Sinkevičius,

As Russia's war of aggression in Ukraine continues to cause immense human and environmental devastation, it has also brought into sharp relief multiple fundamental issues with the sustainability of trade and economic ties between Russia and the EU, and the urgent need to transition the EU's economy to a nature-positive, carbon-neutral future.

Russian seafood imports by the EU are significant. According to EUMOFA,<sup>1</sup> Russian exports of fisheries and aquaculture products to the EU accounted for EUR 580 million (2020 data), ranking Russia as the 11<sup>th</sup> non-EU supplier of seafood to the EU market by value. A large proportion of these imports are whitefish, such as cod, haddock and pollock, which enter the EU single market every week, either directly or through non-EU countries where they are processed, with destination markets in Portugal, Spain, and Germany.<sup>2</sup> Many EU populations of these whitefish species are severely overfished, leading to the EU seafood market's dependence on such imports.

Russia maintains a fleet of more than 1000 commercial fishing vessels worldwide, primarily trawlers, heavily subsidized and expanding.<sup>3</sup> Russian fishing vessels have access to ports and fishing authorizations across the globe, including in Europe, where for example in 2019-2021 they spent 550 000 hours fishing in the Norwegian EEZ, and 49 289 hours in the Faroe Islands EEZ.<sup>4</sup>

However, Russia is known for being an uncooperative partner in international fora, and there are serious concerns about the sustainability of its catches. For example, in 2021 the European Commission expressed concern that the Norwegian-Russian bilateral management plan for Arctic cod disregarded international cooperation and deviated significantly from the MSY management standard. Overfishing of that key cod population

 $^2$  Wegren, S.K., Nilssen, F. (eds) Russia's Role in the Contemporary International Agri-Food Trade System  $\underline{\text{https://doi.org/}10.1007/978-3-030-77451-6} \ \underline{\text{6}}$ 

<sup>&</sup>lt;sup>1</sup> The EU Fish Market - 2021 edition

<sup>&</sup>lt;sup>3</sup> Nearly 80 per cent of Russia's fisheries subsidies – worth approximately US\$1.1 billion in 2018 – are linked to <u>activities that promote overcapacity</u>, including reduced fuel prices and tax exemptions. Russia set a target of <u>building at least 100 new vessels by 2025</u>.

<sup>&</sup>lt;sup>4</sup> https://usa.oceana.org/wp-content/uploads/sites/4/Russia-Fishing-Analysis\_by-Oceana.pdf

<sup>&</sup>lt;sup>5</sup> https://oceans-and-fisheries.ec.europa.eu/news/eu-expresses-concern-over-unsustainable-decisions-arctic-cod-norway-and-russia-2021-08-23 en

was systematic from 2017 to 2020, as the quotas set by Norway and Russia also overshot the level fixed by their own bilateral management plan. Furthermore, much of Russia's overall fish catch remains unassessed and close to half of its assessed stocks are classified as overfished.<sup>6</sup>

Moreover, Russia is currently ranked as the second out of 152 nations for poor performance when it comes to effectively fighting illegal, unreported and unregulated (IUU) fishing, and its behaviour has worsened since 2019, when it was ranked fourth. Globally, only China is assessed as having a worse performance. In the IUU Fishing Index, Russia was assessed for its vulnerability, incidence, and response to IUU fishing, with many transhipments at sea<sup>8</sup> – notorious for their high risk – within the Russian EEZ, both of pelagic fish and whitefish.

The USA has introduced a ban on Russian fish and seafood imports <sup>9</sup> that entered into force at the end of June 2022. A 35% tariff on Russian whitefish was also included in the latest batch of sanctions implemented by the UK Government in July <sup>10</sup>. To date, however, the European Union has only banned Russian caviar and substitutes and some shellfish <sup>11</sup>— so-called "high-end seafood". The impact of these EU bans is likely to be rather limited, for those imports are relatively low in volume.

Given the economic value of seafood exports for the Russian economy, the lack of cooperation from Russia on sustainable fisheries management, and the high risk of IUU fishing from Russian operators, the EU should expand the scope of its sanctions to include Russian fishing vessels and all seafood. Specifically, the EU should ban the import of all fish and seafood originating in Russia or caught by Russian-flagged or Russian-owned vessels, regardless of its route to the EU market, and refuse access by Russian-flagged and Russian-owned fishing vessels into EU waters and ports.

However, such sanctions will only be effective if they are underpinned by transparency, traceability, and control. For example, it is worth noting that a large proportion of Russian seafood imports are currently reaching the EU through the Netherlands, which is facing an infringement procedure due to its failure to effectively control, inspect and enforce essential aspects of weighing, transport, traceability and catch registration with respect to landings of EU and non-EU fishing vessels in Dutch ports. <sup>12</sup>

Currently no information is required on the origin of processed and prepared seafood products, such as cans, to enter the EU market. A digital traceability system should be set up to ensure authorities have all the information needed to ensure no products from IUU

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If MSY approach had been followed by Norway and Russia, the agreed TAC on the Northeast Arctic cod should have been lower by over 200 000 tonnes, according to <a href="ICES advice">ICES advice</a>.

<sup>&</sup>lt;sup>6</sup> https://www.minderoo.org/global-fishing-index/results/country-reports/rus/

<sup>&</sup>lt;sup>7</sup> https://iuufishingindex.net/ The Index has been developed by Poseidon Aquatic Resource Management Ltd., a fisheries and aquaculture consultancy company working globally, and the Global Initiative Against Transnational Organized Crime, an NGO network of experts working on human rights, democracy, governance, and development issues where organized crime has become increasingly pertinent.

<sup>&</sup>lt;sup>8</sup> According to Oceana's report from 2017, 50 percent of the suspected transshipping events worldwide occurred within Russian waters: <a href="https://oceana.org/press-releases/oceana-report-exposes-thousands-suspected-vessel-rendezvous-sea/">https://oceana.org/press-releases/oceana-report-exposes-thousands-suspected-vessel-rendezvous-sea/</a>

<sup>&</sup>lt;sup>9</sup> Executive Order on Prohibiting Certain Imports, Exports, and New Investment with Respect to Continued Russian Federation Aggression | The White House

<sup>&</sup>lt;sup>10</sup> https://www.seafish.org/about-us/news-blogs/uk-government-tariff-on-russian-whitefish-introduced/

<sup>&</sup>lt;sup>11</sup> https://www.politico.eu/article/eu-russia-caviar-ban-war-ukraine-saction-trade/

<sup>12</sup> https://ec.europa.eu/commission/presscorner/detail/en/inf 20 1687

fishing enter the EU market, and specifically to avoid Russian fish being mislabelled as being caught by a different country. Simultaneously, all Member States should step up their import and port controls, for any ban should also apply to Russian-owned fishing vessels that try to evade the sanctions by changing their Russian flag or registration to that of another state. Port authorities can identify an attempt to reflag or change registration by checking a vessel's IMO number (the unique identification number assigned on behalf of the International Maritime Organization), and information on beneficial ownership should be shared to ensure the sanctions are effective.

Furthermore, now is the moment to call for global alignment in approaches to catch certificates, to ensure that illegal seafood does not reach our plates. Illegal loads can be exported to important seafood markets that do not require catch certificates or do not require it for all species, like key fish markets of South Korea, Japan, USA, Canada, and China. In addition, Russian-caught seafood may be unloaded or sent to other countries, like Norway and China, for processing and relabelling, so it is imperative that the EU has a clear picture of the origin of the fish and the path it took to get to the single market.

Finally, the EU must urgently ensure that its own fish populations are rebuilt to abundance, to reduce the EU's dependence on imports from uncooperative yet competitive, high IUU-risk sources such as Russia. We urge you to lead the upcoming discussions on fishing opportunities with the Council, in particular to take immediate action on the most overfished stocks (such as all cod populations in EU waters). Restoring these valuable stocks requires following scientific advice when setting fishing opportunities, applying an ecosystem-based approach to restore them, and transitioning to low-impact and climate-friendly fisheries.

We look forward to hearing from you on this important matter shortly and remain at your disposal should you wish to discuss the above in more detail.

Yours sincerely,

Pascale Moehrle

Executive Director, Oceana in Europe

On behalf of:

BirdLife

ClientEarth

Deutsche Stiftung Meeresschutz

**Environmental Justice Foundation** 

The Fisheries Secretariat

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