

Thai seafood industry grapples with international scrutiny

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BANGKOK -- In Samut Sakhon, a thriving fishing port on the southern fringes of Bangkok, owners of boat repair shops and other businesses dependent on the seafood industry complain about a drop in income since mid-2015. They are not expecting a recovery soon. Similar grumblings can be heard throughout nearly 30 other major fishing ports in Thailand, where trawlers laden with catch from Thai and international waters drop anchor. All those involved in Thailand's lucrative seafood export industry are feeling the effect of a threat by the European Union in April 2015 to ban imports of Thai fish products unless the country's \$5.5 billion sector ends environmentally damaging fishing practices and abusive labor practices.

The EU imported 426 million euros (\$496.5 million) of seafood products from Thailand in 2016 -- a significant drop from 476 million euros the year before, according to European Commission figures. But it nevertheless remains Thailand's third largest market for seafood exports after the U.S. and Japan. The EU consumes 12% of the 1.8 million tons of seafood Thailand exports annually. By issuing a "yellow card," to warn of possible sanctions, the EU was hoping to press Thailand's military-backed government to end "illegal, unreported and unregulated" (IUU) fishing and improve labor standards. Brussels has maintained pressure since then, repeating its threat after periodic reviews and official missions.

After the latest visit by EU investigators over two weeks in July, Thai officials expressed doubt that any reprieve was imminent. "We have problems in every regard, therefore we face slow progress," Prime Minister Prayuth Chan-ocha told the local media after the EU officials met with Thai authorities. The government has enforced new laws, he said, while noting that "there is some resistance" from those who do illegal fishing."

EU pressure has at least prompted the Thai government to establish a unified command center to target illegal fishing. The navy has been deployed to track violators and has established a "Port-in-Port-Out" tracking system to keep tabs on local and foreign trawlers that land their catches at Thai ports. But the regime has only succeeded in persuading 18,000 of the estimated 30,000 local fishing trawlers to register their boats and install monitoring mechanisms on board to determine the source of their catch. This is a key requirement to certify that the fish catches are not violating the EU's IUU standards.

But there has been at least sea change in this regard. In July, Thai Union Group, the world's largest producer of canned tuna products, signed an agreement on July 11 with Greenpeace, the global environment non-governmental organization, to improve its global supply chain for tuna. The seafood giant, which reported global sales of 134 billion baht (\$4 billion) in 2016, agreed to reduce "destructive fishing practices," increase support for more "sustainable fishing" and help protect seafood workers.

"Thai Union is now a good friend of Greenpeace," Thirapong Chansiri, the company's president and chief executive, told business leaders at the Nikkei Asia300 global business forum in Bangkok in mid-July. "NGOs attacked us, but we cannot walk away," he noted,

referring to Thai Union's pledge to pursue sustainable fishing. The promise will cost an estimated \$750,000 a year to implement, according to the agreement it signed with Greenpeace.

Activist target

Thai Union's change of heart came after a two-year campaign by the NGO against what it claimed were unethical fishing and labor practices. The activists said Thai Union had a pivotal role in determining the future of the world's oceans because of its extensive international tuna supply chain. "Thai Union took a major step to lead by example, but its commitment is only starting," said Tara Buakamsri, head of Greenpeace Southeast Asia.

The Thai seafood industry has also come under official scrutiny from the U.S., which has placed the country on an annual "watch list" in its annual human trafficking report, citing abusive treatment of workers on Thai fishing boats and in seafood processing factories.

"Although the government continued to increase the number of inspection centers at fishing ports, inspections resulted in relatively few identified victims and criminal investigations," noted the 2017 "Trafficking in Persons" report, released in June by the U.S. State Department. The report placed Thailand on its "Tier 2 watch list" for the second consecutive year.

The U.S. government's action appears to confirm concerns voiced by human rights groups about Thailand's seafood industry, which employs some 800,000 workers, with 80% coming from neighboring Cambodia and Myanmar. On a related front, Thailand recently took action against a human trafficking ring accused of transporting irregular migrants, mainly from Myanmar and Bangladesh, to secret camps in Thailand where scores perished and many more were beaten and tortured. On July 19, a criminal court in Bangkok convicted 62 people on charges related to the trafficking operation.

However, Thai authorities are still failing to crack down on underground brokers who place men on fishing boats, said Phil Robertson, deputy Asia director at Human Rights Watch, the U.S.-based rights campaigner. "(They) still fall short in interacting with migrant crews to learn about violations of labor laws, forced labor, illegal deductions and sub-minimum payments," he said.

Unregulated growth

The scale of the problem reflects the growth of the Thai seafood industry in an unregulated environment. According to the U.N.'s Food and Agriculture Organization, Thai aquaculture production rose from 200,000 tons a year in the 1950s to 1.4 million tons a year by 2010. But the average trawler catch from the country's coastal waters sank to 17.8 kg of fish per hour in 2010 from a peak of 300kg of fish per hour in 1961.

The deeply entrenched Thai fisheries industry is showing signs of resistance. Some have struck a defiant tone, urging Prayuth to resist caving into international pressure. "I would like to appeal to the government to stop listening to the EU, because it destroys the whole

fishing business and businessmen are going bankrupt," Mongkol Sukcharoenkanaa, president of the Thai fisheries administrative committee, recently told a Thai newspaper. "The EU will never remove the yellow card for Thailand."

EU diplomats are tightlipped about the fate that awaits Thailand's seafood industry as the European Commission considers its decision. But the EU's "yellow card" will likely remain a diplomatic headache for the Thais.

The IUU fishing issue was added to the agenda of a meeting between EU and Thai diplomats in June in Brussels - the first such meeting since 2012. The talks "provided an opportunity to discuss, in particular, the ongoing substantial and intense dialogues concerning illegal fishing, labor issues and prevention of human trafficking," according to an EU statement.

The Thai government now appears to have grasped the message from Brussels, that much more action is required to lift the threat of sanctions. Previously, Thai officials had assumed the EU would drop its threat if the authorities enforced current laws. Now it admits that meeting the IUU standards will be a "struggle" - even as there are moves afoot to improve standards.