

South Korean Distant Water Fisheries

**Illegal, Unreported, Unregulated – and tarnished
by human rights abuses**

April 2013

Executive summary

South Korea is one of the leading distant water fishing powers, with 359 vessels operating in all oceans of the world¹. In recent years, many cases of illegal, unreported and unregulated (IUU) fishing activities and human right abuses have been reported, especially of foreign crew working on South Korean fishing vessels. As a result of these incidents, and the lack of action taken by South Korea as a flag and beneficial owner state to combat IUU fishing and regulate its fleets, it has been identified by the US as an IUU fishing nation together with nine other nations².

Concerns have also been raised about the entry of IUU caught fish involving Korean vessels in West African waters into the EU market³. Given these facts, the key question arises on whether South Korea is sincere about sustainable fishing, or whether it is more interested in covering up the misconduct of its fishing industry, which benefits from low operating standards and business ethics, as well as illegal and abusive conduct.

Greenpeace has compiled information on IUU scandals involving South Korean-flagged or South Korean-owned vessels flying another flag (see Appendix 1). Currently, there are vessels owned by 15 South Korean companies that have been identified as being involved in IUU fishing activities internationally. Also, several human right violations have been reported taking place on these vessels. Unfortunately, it is unclear on the action that has been taken to date by the South Korean government due to the lack of transparency and secrecy in this sector. Given the lack of information, it can only be assumed that punishment for these crimes has not been commensurate with the seriousness of the crimes committed. This briefing exposes South Korea's blatant disregard for the international agreements by which it is bound.

The very serious cases of IUU fishing and human rights abuses by the South Korean fishing industry presented here demonstrate that the South Korean government fails to fulfil its international responsibilities to regulate its fishing industry. Instead it allows greedy companies to exploit the Southern Ocean, steal income and food from West African nations and allows cruel abuses of fishing crews in the South Pacific.

Greenpeace urges the new Ministry of Oceans and Fisheries in South Korea to work with the Ministry of Foreign Affairs and the Ministry of Environment to bring the fishing industry under control. In particular these Ministries must work together to take concrete steps to stop IUU fishing activities and other violations, including unsustainable fishing practises and human rights abuses. South Korea must adopt a fisheries policy that ensures the sustainable exploitation of ocean resources and the conservation of the marine environment based on the ecosystem and precautionary approaches. An in-depth reform is urgently required, not only to ensure the future of its fishing industry, but also to rebuild South Korea's international reputation as a nation that is able to take the lead on sustainable fishing.

What is Illegal, Unreported and Unregulated (IUU) fishing?⁴

Illegal fishing refers to activities conducted in contravention of relevant national or international laws and regulations.

Unreported fishing refers to fishing activities that have not been reported, or have been misreported, to the relevant national or regional authority.

Unregulated fishing refers to fishing activities conducted by vessels without nationality, or by those flying the flag of a State not party to a regional management organisation in a manner that is not consistent with or contravenes the conservation and management measures of that organisation. Or it refers to fishing that is happening in areas or for fish stocks where there are no applicable conservation or management measures, and are conducted in a manner inconsistent with State responsibilities for the conservation of living marine resources under international law.

A big distant water fishing power not living up its international obligations

South Korea is one of the leading distant water fishing powers in the world, being ranked third globally in distant water fishing in catch size, and ranked second globally in terms of distant water tuna catches in 2008⁵. South Korea has 359 distant water fishing vessels owned by 90 companies⁶ actively fishing all over the world's oceans, both in the exclusive economic zones of other countries as well as on the high seas. As a significant fishing power, it has an added responsibility to ensure the fulfilment of international obligations and standards through domestic legislation.

The nation's fleet's involvement in IUU fishing and South Korea's lack of enforcement action makes a mockery of its obligations under international fisheries instruments to which it is a party, such as the UN's Agreement on straddling and highly migratory fish stocks, and the UN Food and Agriculture Organisation's (FAO) Compliance Agreement.⁷ Both legally-binding instruments provide very clear obligations by which South Korea has to abide. South Korea is also a member of several Regional Fisheries Management Organisations (RFMOs)⁸, and has supported the adoption of the UN FAO International Plan of Action to Prevent, Deter and Eliminate IUU Fishing (IPOA-IUU) and the soon to be adopted UN FAO Guidelines for Flag State Performance⁹.

South Korea is a party to UN human rights instruments such as the International Covenant on Social, Cultural and Economic Rights, which guarantees the right to "just and favourable conditions of work"¹⁰. It has also signed a free trade agreement with the EU¹¹ that reaffirms the commitment of the EU and South Korea to "the rights and freedoms set out in the Universal Declaration of Human Rights", "to effectively implementing the ILO Conventions", "decent work for all as well as the protection and preservation of the environment and natural resources", "to promote transparency as regards all relevant interested parties, including the private sector and civil society organisations", and "to strengthen the development and enforcement of labour and environmental laws and policies".

Despite being bound to these international agreements, South Korea is closely linked to illegal fishing and overfishing, the use of destructive fishing methods, labour exploitation, and human rights abuses inflicted on foreign fishing crews. According to publicly available information there are 34 vessels owned by 20 South Korean companies identified as being involved in IUU fishing internationally. (See Appendix 1 for full list of IUU cases of South Korean-flagged or South Korean-owned vessels). Involvement in these activities is not only disgraceful, but it is also seriously undermining the government's standing on the international scene.

International pressure to urge South Korea to stop IUU fishing

Due to ongoing cases of IUU fishing and the lack of demonstrable action by South Korea to curb it, the US Department of Commerce has included South Korea in its bi-annual report to the US Congress, which lists countries that engaged in IUU fishing in 2011 and/or 2012. South Korea recognised the need for a stronger mechanism for administrative sanctions against its vessels engaged in IUU fishing. The government of South Korea further indicated that it is currently undertaking amendments of the relevant law to strengthen sanctions against IUU fishing activities. South Korean officials expect the amendment will be declared during the first half of 2013. In reviewing the text of South Korea's proposed amendment, the US National Marine Fisheries Service is concerned that the potential new sanctions are insufficient to deter IUU fishing activities¹². If Korea fails to take

appropriate action to address illegal fishing activities described in the report, South Korean fishing vessels may be denied entry into US ports, and imports of certain fish or fish products into the US may be prohibited.¹³

Concerns have also been raised over the entry of IUU-caught fish involving South Korean vessels into the EU market¹⁴. EU legislation provides for sanctions on countries that fail to combat IUU fishing and to manage fishery resources in line with international law including the UN Convention on the Law of the Sea.

New Zealand and Australia are also preparing stricter rules for foreign-chartered vessels operating in their waters in response to South Korea's human right abuses on foreign crews and illegal fishing incidents.

By disregarding its responsibilities as a major fishing state, and continuing to support a rotten fishing industry, South Korea seriously risks severe sanctions from some of its key seafood markets, unless it takes action now to considerably strengthen and enforce its legislation to fight IUU fishing.

Case Studies

1. Blocking IUU blacklisting in order to protect South Korean company Insung

South Korea is one of 35 parties to the Convention for the Conservation of Antarctic Marine Living Resources (CCAMLR), the intergovernmental convention that aims to conserve and manage the fisheries of the Southern Ocean. South Korea has one of the largest fishing fleets in the Southern Ocean, with nine vessels mainly owned by three South Korean companies – Dongwon Industries, Insung (Hongjin, subsidiary), and Sunwoo – targeting toothfish and krill¹⁵. Among the whole distant water fishery industry in South Korea, Insung is ranked third in terms of total exports value in 2012¹⁶.

In 2011 the vessel *Insung 7*, owned by South Korean fishing company Insung Corporation, was caught fishing four times more than its allowed quota in the Ross Sea. This clear case of IUU fishing based on strong evidence led the EU to propose the blacklisting of the *Insung 7* in 2011. Even though South Korea admitted the IUU activities by the Insung vessel, the South Korean delegation blocked the blacklisting at the CCAMLR meeting. This demonstrates that even in the face of very serious illegal fishing and evidence, South Korea is not willing to adequately sanction its industry and to allow the blacklisting. This undermines both international management and policing efforts of these high value fisheries, but also damages the reputation of other South Korean companies that are not engaged in IUU fishing.

2011	<p><i>Insung 7</i> overfished 4 times its catch limit in a sub-area of the Ross Sea</p>	<p>In response to EU suggestion, South Korea blocked consensus on the <i>Insung 7</i> IUU listing at CCAMLR</p> <p>The Ministry of Oceans and Fisheries punished the <i>Insung 7</i> with \$1,500 US dollar penalties, and three months' business suspension</p>	<p>EU proposed blacklisting <i>Insung 7</i></p>
2012	<p>CCAMLR found <i>Insung 2</i>, <i>Insung 7</i> and <i>Insung 22</i>'s catch per unit effort (CPUE) to be anomalously high.</p> <p>Hongjin (Insung subsidiary) 701 failure to comply with buoy marking</p>		<p>CCAMLR started investigation on anomalous high CPUE of <i>Insung 2</i>, <i>22</i> and <i>7</i> in the last 3 years.</p>

2. Turning a blind eye to large-scale forgery of licences and documents involving South Korean vessels

West Africa is an important fishing ground for South Korean distant water fishing companies, as the regulations in other areas are getting stricter and hence fishing opportunities are decreasing and getting more costly. IUU fishing is known to be rampant, especially in the waters of West Africa where control and enforcement is often lacking. Fishing operations in such poor or uncontrolled fishing grounds in developing countries demands high business ethics, transparency, and due diligence by foreign companies exploiting these waters. Unfortunately it seems that instead of aiming to rise to global best business practice standards, the South Korean industry avoids even the few regulations that exist in the region. With the recent increase of awareness and resources to clamp down on IUU

fishing, some African countries have stepped up combating IUU fishing in their waters with help from the EU and the US among others. Many South Korean vessels were caught fishing illegally in West Africa, including in Sierra Leone and Liberia in the last few years. In total, 15 companies – including Dongwon Industries, Silla and Inter-Burgo Corporation – and about 30 vessels have been found engaging in IUU fishing in the region from 2010 to 2012¹⁷.

Most recently, two South Korean companies were caught engaging in IUU fishing. A tuna purse seine vessel owned by Dongwon Industries, the *F/V Premier*, was caught fishing with a forged fishing licence in Liberia and forged official documents in order to clear IUU fishing suspicions, causing an international scandal¹⁸. Another vessel, the *F/V Solevant*, also operated by Dongwon Industries, is also under investigation for fishing illegally in Liberia. The forgery scandal in Liberia also includes five vessels from Inter-Burgo, another South Korean operator. Dongwon has publically denied any wrongdoing and claims to be a victim of fraud¹⁹ without providing any documents to prove its innocence. The large-scale IUU fishing and forgery crime has alerted EU nations²⁰, with the UK²¹ issuing a warning that IUU products could enter its market. Furthermore, the move by the *F/V Premier* into the Indian Ocean has resulted in unified action by coastal states that have refused to license the vessel or allow any services in port²².

West African countries have an average annual Gross National Income (GNI) per capita less than 1/20th of South Korea's. Marine resources are an important source of food and income for these coastal developing countries, but illegal fishing activities by distant water fleets deprive them of both. When foreign fishing vessels do pay for a fishing licence, it often costs as little as around 3-6% of the value of the catch. Illegal fishing in Africa accounts for 10% of the world's illegal fishing²³, worth \$1bn in monetary terms.

Gross National Income comparison between Korea and West African countries²⁴

	Korea	Guinea	Guinea-Bissau	Liberia	Sierra Leone	Côte d'Ivoire	Ghana	Senegal
GNI per capita in 2011 (\$)	22,451	863	994	265	737	1387	1584	1708

The South Korean industry catches 64,000 tons of fish a year from West African waters, of which 40,000 tons are brought back to South Korea²⁵. The fee paid to these countries for fishing was about \$5.8m in 2011²⁶. South Korea's distant water fishing industry claims that it is difficult to determine the exact sales figure, but boasts an annual sale of \$1bn by Inter-Burgo alone, which has the largest number of fishing vessels in West Africa²⁷.

In response to the increasing efforts and interest of African coastal states to preserve their marine resources, the former Ministry for Food, Agriculture, Forestry and Fisheries (MIFAFF) offered KRW 400-500m (\$400,000-500,000) of marine overseas development assistance (ODA) to African countries a year, increasing it to \$1m in 2011, and \$1.6m in 2012²⁸. Unless South Korea effectively ensures that fishing operations by its fleets are legal, the effectiveness of this development assistance in helping poverty alleviation or allowing African countries to gain economic development and independence is doubtful.²⁹

South Korean fishing industry repeatedly abusing human rights of foreign crew

Although anecdotal reports of human rights violations on board South Korean fishing vessels are frequent, the vessels owned by one of the biggest fishing companies in South Korea – Sajo Group – are the most frequently implicated. The human rights abuses reported on board the vessels *Oyang 70* and *Oyang 75* were particularly disturbing, as the company went to great lengths to hide the case. The case of the *Oyang 75* also involves IUU fishing. The testimonies of the foreign crew who survived the sinking of the *Oyang 70* in August 2010 and the crew who escaped from *Oyang 75* in June 2011 horrified the New Zealand and Australian public. The reported abuse included repeated hitting with blunt instruments like steel pipes, excessive working hours, sexual harassment and violation, insults, and delayed payment or no payment of wages and slavery contracts. This coldly demonstrates the ultimate lack of care from the operators at all levels – socially, environmentally, and economically³⁰.

The New Zealand government started to investigate foreign-chartered vessels operating in its waters from August 2011. In February 2012 it announced the results showing that this kind of abuse happened almost only on South Korean vessels³¹.

This international scandal prompted the South Korean government to create an intergovernmental investigation committee under the order of the Prime Minister in May 2012. In September 2012, the committee confirmed that the suspicions of human right abuses, non-payment of wages, forgery of documents, and violation of crew were all true³². The committee sent the five South Korean crew and five employees of Sajo Oyang to the prosecutor. However, after Sajo Oyang submitted a letter saying that the foreign crew did not want to press charges against the company, the Busan Regional Public Prosecutor decided to let the Sajo staff off without further prosecution.

The international opinion, especially in New Zealand and Australia, stigmatised South Korea for tolerating such practices. New Zealand is currently preparing a stricter regulation on foreign-chartered vessels in its waters as a result of these findings.

South Korea faces the danger of becoming an underdeveloped country in terms of human rights standards. The US State Department grades every country in terms of efforts to protect human rights in its annual *Trafficking in Persons* (TIP) reports, published since 2001. South Korea has been ranked 1st grade on the list, along with other developed countries, since 2002, until Sajo's human rights violations became a hot issue in June 2012. The US State Department warned of the possibility of downgrading South Korea to 2nd place in February 2013³³.

Conclusions and Recommendations

According to international law and other instruments such as the FAO International Plan of Action to Prevent, Deter and Eliminate IUU Fishing (IPOA-IUU), the flag state is the most important actor in fighting illegal fishing. As a flag state, South Korea must show the international community that it is not acting to shield the unscrupulous activities of shady members of its fishing industry, but that it is willing to comply with its obligations under international law and the legally binding instruments and regional fisheries management organisations to which it is a party. This means demonstrating determination to combat IUU fishing and human rights abuses as essential requirements. It also means that South Korea needs to respect scientific advice and adopts precautionary and ecosystem based conservation measures both nationally and internationally. It is clear that South Korea has still got a long way to go to meet these obligations.

Greenpeace calls on the South Korean government to start an independent investigation of the recent IUU fishing and forgery cases, and expose the truth to prevent such crimes from happening again. It would also show the international community that South Korea is willing to fulfil its responsibilities as a flag state and will actively support international efforts to combat IUU fishing activities, including adequate punishment of the companies and individuals found guilty.

Unfortunately, IUU fishing and human rights abuses are just the tip of the iceberg of issues surrounding South Korea's role in fisheries management globally. In order to improve the situation, the new government must urgently reform South Korea's regulations on the distant water fishing industry, and introduce a sustainable fisheries policy to that puts the conservation of the marine environment at the core of the policy instead of the short term profits of greedy industry in order to recover South Korea's international reputation.

Greenpeace therefore urges the South Korean government to:

- Ensure that the new Ministry of Oceans and Fisheries, the Ministry of Environment and the Ministry of Foreign Affairs work together and consult civil society to support far-reaching conservation measures in RFMOs as the basis for sustainable fisheries.
- Fulfil its responsibilities as a flag state, including the improvement of its investigation procedures and penalties on IUU fishing cases by South Korean flagged and owned vessels and companies.
- Review the Oceans Development Act to ensure effective management and control of the distant water fishing industry and to introduce sustainable, precautionary and ecosystem based fisheries policy to conserve the marine environment.
- Ensure greater transparency in all matters pertaining to fisheries management including wider consultation with civil society and relevant stakeholders.

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