

**NATIONALITY OF CATCH**  
by  
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**1. INTRODUCTION**

In 1954 the United Nations Statistical Commission decided that fish catches should be assigned to the country of the flag flown by the fishing vessel. This concept was adopted by all member agencies of the Coordinating Working Party on Fishery Statistics (CWP) at its Ninth Session. The concept is defined more precisely at the CWP's Tenth Session, as follows:

*The flag of the vessel performing the essential part of the operation catching the fish, should be considered the paramount indication of the nationality assigned to the catch data and this indication overridden only when one of the following arrangements between a foreign flag vessel and the host country exists:*

- a) *the vessel is chartered by the host country to augment its fishing fleet; or*
- b) *The vessel fishes for the country by joint venture contract or similar agreements (as opposed to the ad hoc practice of a vessel selling catches to a foreign vessel or landing catches at a foreign port) and the operation of such vessel is an integral part of the economy of the host country.*

*When governments negotiate joint ventures or other contracts in which the vessels of one country land their catches at ports of another country or unload their catches to vessels of another country and the one of the above-mentioned criteria is applicable, the assignment of nationality to such catches and landings data should be specified in the agreement.*

Although in recent years national authorities and international agencies have been experiencing difficulties in certain cases in assigning a nationality to catches, this concept still valid at present. However, it should be considered that international joint-venture arrangements in world fisheries have increased considerably, both in number and in economic importance, with a great variety of new situations in recent years and such arrangements are often a source of difficulty in assigning the nationality to the catch.

## 2. STATISTICS FROM JOINT VENTURES

For the purpose of this paper, the term "joint-venture" is used in its general sense, i.e. an association of two or more parties, whether private or governmental, in order to undertake a commercial project in the fishery sector and to share in the risks and profits of that project. The term covers a multitude of different arrangements.

In certain countries joint-ventures are operated through government agencies or state controlled companies. In other cases, joint-ventures are run by commercial enterprises pursuing direct economic benefits. When each of the parties holds a proportion of the capital shares, the arrangement is called an "equity joint-venture". When the relationship between the parties is governed by contractual relations, the arrangement is called "contractual joint-venture."

FAO has recently reviewed some specific situations in which difficulties in assigning a nationality existed and led to misreporting and double counting. This is the case of New Zealand, Namibia, Peru, and probably Argentina, where statistics of catches taken under joint-ventures or concession agreements between these countries and a number of countries, including Japan, Rep. of Korea, Taiwan, etc., were over-reported.

In the case of New Zealand, the problem had first been emphasized only a few years ago by anomalies in the food balance sheets constructed by FAO to estimate fish consumption. As of 1 April 1978, when the New Zealand 200 mile EEZ was declared, a number of joint-venture agreements were approved and these arrangements continue until 1 April 1983, when a "deepwater trawl policy" was introduced, allocating quotas to New Zealand-owned companies. These companies were permitted to catch their quotas using foreign chartered vessels and/or their trawlers. Squid jigging and purse seining charter agreements continued as before. In accordance with generally recommended practice, also accepted by FAO, these quantities caught by foreign fishing boats under charter arrangements have been recorded by the local authorities as New Zealand production. Some of the catches taken by these foreign vessels are landed in countries other than New Zealand, and these quantities are treated in the New Zealand statistics as exports.

Unfortunately, these same catches are, in many cases, also reported as national catches (instead of national imports) in order to avoid import duties, by the flag states of the foreign fishing vessels operating in the New Zealand waters under the joint-venture agreements. This, of course, has the effect of greatly inflating the reported catch figures in the Southwest Pacific (Area 81). This problem was however solved, in agreement with the New Zealand fishery authorities, who provided FAO with data on catches by vessels from other countries fishing in New Zealand waters under charter or license agreements, broken down by country, species, and quantity landed in New Zealand and outside New Zealand.

A similar situation pertained to Namibia, where the fishery management authorities allocated catch quotas to Namibian companies, which often enter into joint-ventures with foreign companies providing the vessels. There was some double reporting of catches (which are all landed in Namibia) which was subsequently resolved by asking Namibia to separate catches by flag of vessel.

In the case of Peru, the quantities over-reported referred exclusively to the giant squid (*Dosidicus gigas*). In April 1994, a Reorganization Plan for the rational and sustained exploitation of the giant squid was approved. This plan seeks to maximize economic benefits resulting from the harvesting of this resource, by using its high availability to cover the sector's requirements for research reorganization, planning and development. As a result of these measures, the Ministry of Fisheries has so far received money from fishing concessions, awarded through public tenders, issued to foreign flag vessels using special tackle for the harvesting of this species. These large quantities (60,998 mt in 1991, 93,852 mt in 1992, 132,586 mt in 1993 and 167,132 mt in 1994) misreported by the Peruvian fishery authorities under the Peruvian catch, were removed because they were already included under the catch of foreign flag vessels, in particular Korean, Japanese and Taiwanese vessels.

With regard to the Argentinean catch data, it will be necessary to investigate if the quantity (or part) produced by Asian jigger boats (about 100,000) under a charter regime, is also recorded in the statistics of the chartered flags of Japan, Taiwan and Rep. of Korea, fishing with 44, 13 and 11 jigger vessels, respectively.

In spite of the clear statements made at previous CWP sessions, an increasing number of instances of ambiguous or incorrect recording of the nationality of catches have been identified and this problem appears to be becoming more serious. This is closely associated with the growing incidence of joint ventures both at the national and the private company levels.

The situation is further complicated by the insistence of some countries to record joint venture catches within their own EEZs under their national catches regardless of the flag of the vessels concerned. Also by the requirement to record exchanges of quotas under the country providing the quota and not under the flag country of the vessels concerned. In the view of the CWP, this tends to distort the catch statistics and confuses the requirements for statistical and management purposes.

In accordance with the provisions of the UN Agreement on Straddling Fish Stocks and Highly Migratory Fish Stocks, it was accepted that the flag State has the responsibility of monitoring and reporting the activities of its vessels wherever they may operate. CWP accordingly reaffirmed its belief that the flag of the vessel catching the fish should be the overriding factor in deciding the nationality of the catch. Only in very clear circumstances, for example when a vessel is operating under documented charter by the country concerned, should the catch be recorded under the nationality of that country.

### **3. RECOMMENDATIONS**

The CWP at its Seventeenth Session (Hobart, Australia, 3-7 March 1997) again reviewed its nationality definition in the light of recent difficulties such as those outlined above. The CWP, recognizing that its definition of nationality of catch may give a false impression, suggested that reporting by States other than the flag State is always an acceptable alternative to reporting by the flag State. The CWP stressed that reporting by the flag State of the vessel concerned is always the preferred option.

The CWP therefore affirmed that, in conformity with the UN Agreement on Straddling Fish Stocks and Highly Migratory Fish Stocks, the responsibility of reporting catches lies with the flag nation. Thus:

- a) The CWP recommended that the label (country) under which catches are reported may be designated by agreement. The flag country of the vessels making the catch should always take precedence.
- b) To facilitate reporting by the flag State, the CWP strongly encouraged the establishment of reporting arrangements between the countries whose vessels catch the fish and those in whose waters the catches were taken. It was recognized, however, that this presents severe problems for some countries where distant water catches may not be reported to the flag State of the vessels concerned.
- c) In such cases as in (b) above, the nations reporting the catches should report catches by vessels of different flag States separately in order to facilitate the detection of double counting or non-reporting.

#### **4. SUGGESTED ACTION**

The Workshop was invited to consider whether the procedure for assigning nationality to catch as recommended in this paper, is readily applicable in Asia and the Pacific. They were also asked to identify particular problems which could be anticipated on the implementation of the recommendations.