

# WHO CONTROLS THE DISTANT WATER SQUID FISHING FLEET?

An Investigation into the Ownership of Squid Fishing  
Vessels Operating in the Southeast Pacific Ocean



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ANALYSIS POWERED BY



WINDWARD<sup>°</sup>



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# INTRODUCTION

Over the last decade, heightened demand for squid species has led to a substantial rise in the global harvest of squid by distant water fishing (DWF) vessels. This is especially true in the international waters of the Southeast Pacific Ocean, where jumbo flying squid (a particularly popular squid species) is primarily caught.<sup>1</sup> <sup>2</sup> According to the South Pacific Regional Fishery Management Organization (SPRFMO), the number of vessels identified as harvesting jumbo flying squid in the region has risen almost a hundredfold in the past three decades, from six in 1990 to 575 in 2020.<sup>3</sup> Despite this growth, the SPRFMO did not have any conservation measures in place for squid until 2020,<sup>4</sup> and even now, lacking transparency and beneficial ownership disclosure requirements mean that the people and companies behind the region's DWF squid fleet remain relatively unknown.

The increase in opaque and unregulated fishing activity on the high seas in the Southeast Pacific could lead to significant negative consequences for artisanal fishermen and coastal states' seafood industries.<sup>5</sup> For example, jumbo flying squid in the region are targeted by DWF vessels on the high seas, outside the exclusive economic zones (EEZs) of coastal countries. As a result, these vessels are well-positioned to evade coastal enforcement operations against labor abuses and IUU fishing, as well as conservation and management measures implemented by coastal states, such as limitations of fishing capacity, area closures, and bycatch regulations.<sup>6</sup> This poses serious challenges for effective and sustainable management of jumbo flying squid fisheries, since squid often migrate between highly regulated coastal waters and the high seas.<sup>7</sup> For this reason, understanding who is involved in unregulated squid fishing is a crucial first step toward ensuring more ethical and sustainable fishing.

In order to better understand squid fishing in the Southeast Pacific Ocean, C4ADS analyzed publicly available Automatic Identification System (AIS) data compiled by Global Fishing Watch

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<sup>1</sup> Aroni, E. (2020, October 13). Follow the Lights: Squid Fishing in the Southeast Pacific Ocean. Global Fishing Watch. Retrieved from: <https://globalfishingwatch.org/fisheries/squid-fishing-southeast-pacific/>.

<sup>2</sup> Arkhipkin, A., et. al. (2015, June 9). World Squid Fisheries. Fisheries Science & Aquaculture. Retrieved from: <https://www.tandfonline.com/doi/full/10.1080/23308249.2015.1026226>.

<sup>3</sup> South Pacific Regional Fisheries Management Organisation (SPRFMO). (2021, October 2). 9th Meeting of the Scientific Committee. Retrieved from: <https://www.sprfmo.int/assets/2021-SC9/SC9-SQ01-rev1-Squid-information-held-by-the-Secretariat.pdf>.

<sup>4</sup> In 2020, the SPRFMO established the first Conservation and Management Measure (CCM) that directly manages the harvest of jumbo flying squid on the high seas. The measure does not establish limits on the squid catch, but rather requires the gathering of data and research to better understand and manage the squid fishery in the future. Existing challenges include the fact that transshipment of squid in the SPRFMO does not require authorization from the relevant flag state beforehand. For more information see: Global Fishing Watch. (2021, July). Analysis of the Southeast Pacific Distant Water Squid Fleet. Retrieved from: <https://globalfishingwatch.org/wp-content/uploads/GFW-2021-FA-SQUID2020-EN-1.pdf>.; Ryan, B. (2020, June 4). Managing the Majestic Jumbo Flying Squid. New York Times. Retrieved from: <https://www.nytimes.com/2020/06/04/climate/jumbo-flying-squid-fishing.html>.

<sup>5</sup>The jumbo flying squid fishery is particularly important in Peru, where jumbo flying squid exports were valued at almost \$1 billion (\$850 million) in 2019.

Molinari, C. (2021, October 13). Peruvian jumbo squid fishery creates FIP with WWF. Seafood Source. Retrieved from: <https://www.seafoodsource.com/news/environment-sustainability/peruvian-jumbo-squid-fishery-signs-fip-with-wwf>.

<sup>6</sup> Monterey Bay Aquarium's Seafood Watch. (2018, November 5). Squid, Jumbo: Southeast Pacific (Chile, China, Peru). Retrieved from: [https://seafood.ocean.org/wp-content/uploads/2016/10/MBA\\_SeafoodWatch\\_Squid\\_Humboldt\\_Jumbo\\_South\\_America\\_Report.pdf](https://seafood.ocean.org/wp-content/uploads/2016/10/MBA_SeafoodWatch_Squid_Humboldt_Jumbo_South_America_Report.pdf)

<sup>7</sup> Zhang, C. (2020, June 18). China announces closed season on squid spawning grounds. China Dialogue. Retrieved from: <https://chinadialogueocean.net/14146-china-announces-closed-season-squid-spawning-grounds/>.

(GFW). The data revealed at least 707 squid fishing vessels that had emitted AIS signals in the region between 2015 and 2020. To identify potential illicit activity, we prioritized 140 squid fishing vessels whose AIS transmissions demonstrated irregular fishing activity, including transmission gaps over 24 hours, the reporting of false locations, or the use of multiple Maritime Mobile Service Identities (MMSIs).<sup>8</sup> We then analyzed the vessels' ownership and past behavior, including any alleged incidents of forced labor or IUU fishing. Our analysis revealed four primary findings:

- The majority (95%) of the 140 vessels were flagged to China.
- There was significant overlap between the vessels' ownership networks, with over 60% of the vessels directly owned by just 16 companies.
- The registered owners of 25 vessels were either linked to or ultimately owned by Chinese state-owned enterprises.
- Sixteen of our vessels or companies of interest have a history of regulatory non-compliance, including instances of forced labor and IUU fishing.

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<sup>8</sup> "The Maritime Mobile Service Identity (MMSI) is a unique contact number for locating and identifying ships digitally. The Maritime Mobile Service Identity acts as a maritime mobile and allows important communication to be passed over the radio without any hindrance." For more information, see: Maritime Insight. (2019, November 21). What is Maritime Mobile Service Identity? Retrieved from: <https://www.marineinsight.com/marine-navigation/what-is-maritime-mobile-service-identity/>.

# OWNERSHIP ANALYSIS

Limited access to ownership data, as well as inconsistencies in reporting requirements and definitions of ownership across regional and state jurisdictions, complicate efforts to comprehensively map the owners of the squid fleet. Still, as squid fishing activity continues to increase in the Southeast Pacific, it is important to understand who may be profiting from or directing this behavior.

Using corporate records and vessel registry data, C4ADS identified the registered and beneficial owners of our 140 squid vessels of interest. Of these 140 vessels, 133 (95%) were flagged to China, four (3%) were flagged to Taiwan, and three (2%) were flagged to South Korea. This is consistent with SPRFMO reporting that squid vessels in the South Pacific are primarily China-flagged.<sup>9</sup> For instance, according to SPRFMO data, approximately 96% of squid vessels on the high seas were flagged to China in 2020.<sup>10</sup>

Flags	Number of Vessels
China	133
Taiwan	4
South Korea	3

**Table 1:** Flag states of our squid vessels of interest.

## REGISTERED OWNERS

C4ADS identified the registered owners of every vessel in our dataset using publicly available information, including vessel registry documents, authorized vessel lists, maritime databases such as IHS Markit, and public reporting. We found that many of the vessels' shared registered owners, and that most of those owners (70%) were based in just two Chinese provinces.

<sup>9</sup> This is also consistent with recent media reporting, which indicates that Chinese vessels have been responsible for between 50 and 70% of squid capture on the high seas each year since 2009.

Zhang, C. (2020, June 18). China announces closed season on squid spawning grounds. China Dialogue. Retrieved from: <https://chinadialogueocean.net/14146-china-announces-closed-season-squid-spawning-grounds/>  
<https://www.shobserver.com/news/detail?id=155812>

<sup>10</sup> South Pacific Regional Fisheries Management Organisation (SPRFMO). (2021, October 2). 9th Meeting of the Scientific Committee. Retrieved from: <https://www.sprfmo.int/assets/2021-SC9/SC9-SQ01-rev1-Squid-information-held-by-the-Secretariat.pdf>.

Country	Location	Total Number of Vessels
China (133)	Zhejiang Province <sup>11</sup>	77
	Shandong Province	41
	Fujian Province	9
	Liaoning Province	2
	Beijing	1
	Shanghai Province	1
	Jiangsu Province	1
	Guangdong Province	1
Taiwan (4)	Kaohsiung	4
South Korea (3)	Busan	2
	Seoul	1

**Table 2:** Registered owners of our squid vessels of interest by country of registration.

In total, our 140 vessels were owned by just 50 companies, a “vessel to owner” ratio of roughly 3:1. Of these 50 companies, 29 owned two or more vessels, and one company owned ten.

<sup>11</sup> Our analysis shows that over half of our 140 fishing vessels are owned by companies based in Zhejiang Province. This is in line with existing reporting and data that indicates the city of Zhoushan in Zhejiang Province is “China’s squid capital” and the top port for squid landings in China. For more information, see: Godfrey, M. (2021, February 26). Zhoushan, China’s squid capital, seeks more sources, price control. Seafood Source. Retrieved from: <https://www.seafoodsource.com/news/premium/supply-trade/zhoushan-chinas-squid-capital-seeks-more-sources-price-control>.

Company	Total Number of Vessels
China Yantai Marine Fisheries Co Ltd 烟台海洋渔业有限公司	10*
Zhoushan Putuo Deep Sea Fishery Co Ltd 舟山市普陀远洋渔业有限公司	9*
Zhoushan Ningtai Ocean Fisheries Co Ltd 舟山宁泰远洋渔业有限公司	8
Zhoushan Jiade International Fisheries Co Ltd 舟山市嘉德远洋渔业有限公司	7
Zhoushan Huaying Ocean Fisheries Co Ltd 舟山市华鹰远洋渔业有限公司	6
Rizhao Jingchang Fishery Co Ltd 日照市景昌渔业有限公司	5
Rongcheng Rongyuan Fishing Industry Co Ltd 荣成市 荣远渔业有限公司	5
Zhoushan Hanyi Deep-Sea Fishing Co Ltd 舟山汉益远洋渔业有限公司	5
Zhoushan Hongrun Ocean Fishery Co Ltd 舟山市宏润远洋渔业有限公司	5

**Table 3:** Companies that directly own five or more vessels within the examined dataset.

\* Ultimately owned by Chinese state-owned enterprises.

## BENEFICIAL OWNERS

Starting from the 50 registered owners we identified, C4ADS used corporate registry documents to build out additional levels of ownership until we found each vessel's beneficial owner (i.e. the entity responsible for and benefiting from each vessel's activity).<sup>12</sup> We discovered that there was additional overlap between our vessels' ownership networks at the beneficial owner level;

<sup>12</sup> See Appendix I: Full List of Direct Owners of Analyzed Vessels Operating in the Southeast Pacific Ocean Between 2015 and 2020 for a full list of the registered owners of the vessels analyzed in this report.



several of our identified registered owners shared beneficial owner companies, as well as directors, shareholders, and other company officers.

For example, Zhoushan Putuo Deep Sea Fishery Co Ltd (舟山市普陀远洋渔业有限公司) -- the registered owner of nine vessels -- and Zhoushan Yinghai Ocean Fisheries Co Ltd (舟山盈海远洋渔业有限公司) -- the registered owner of one vessel -- were both ultimately owned by Zhejiang Zhoushan Islands New District Marine Industry Cluster Management Committee (浙江舟山群岛新区海洋产业集聚区管理委员会).

Our ownership analysis also revealed that the registered owners of 25 vessels were either linked to or ultimately owned by Chinese state-owned enterprises. In the Zhoushan Putuo Deep Sea Fishery and Zhoushan Yinghai Ocean Fisheries example, their ultimate owner - Zhejiang Zhoushan Islands New District Marine Industry Cluster Management Committee - is a state-owned enterprise.

Registered Owner	# of Associated Vessels	Beneficial Owner
China Yantai Marine Fisheries Co Ltd 烟台海洋渔业有限公司	10	State Council of the People's Republic of China (PRC)
Zhoushan Putuo Deep Sea Fishery Co Ltd 舟山市普陀远洋渔业有限公司	9	浙江舟山群岛新区海洋产业集聚区管理委员会 (Transliteration: Zhejiang Zhoushan Islands New District Marine Industry Cluster Management Committee)
Liaoning Dalian Ocean Fishery Group Corp. 辽渔集团有限公司	2	State-Owned Assets Supervision and Administration Commission of Liaoning Provincial People's Government 辽宁省人民政府国有资产监督管理委员会
China Aquatic Products Zhoushan Marine Fisheries Corp 中国水产舟山海洋渔业制品有限公司	2	State Council of the People's Republic of China (PRC)
CNFC Overseas Fishery Co Ltd 中水集团远洋股份有限公司	1	State Council of the People's Republic of China (PRC)
Yantai Beijing Deep Ocean Fishing Company Limited 烟台京远渔业有限公司	1	State-Owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality

**Table 4:** Identified registered and ultimate beneficial owners with direct links to the Chinese government.

# LINKS TO ALLEGATIONS OF FORCED LABOR AND IUU FISHING

According to media reports, DWF vessels are frequently linked to allegations of illicit activity, such as forced labor, IUU fishing, and other crimes.<sup>13 14</sup> Given these allegations, C4ADS reviewed the compliance history of our vessels of interest and their ownership networks to identify possible links to suspect behavior.

C4ADS determined that 16 of our squid fishing vessels, or the companies we identified as their registered or beneficial owners, have been linked to allegations of forced labor and IUU fishing in the past.

## ALLEGED LINKS TO FORCED LABOR

Vessel Details	Registered Owner	Case Details
Lu Rong Yuan Yu 333 <b>IMO: 8779607</b> <b>MMSI: 412328788</b>	Rongcheng Hongshun Aquatic Co Ltd 荣成市泓顺水产有限公司	Between September 2018 and November 2019, six Indonesian fishermen onboard the Lu Rong Yuan Yu 333 near Peruvian waters were reportedly subject to conditions of forced labor, including insufficient food and water, excessive work hours, and non-payment for their labor. <sup>15</sup> The fishermen had been recruited by PT Shafar Abadi Indonesia and PT Kobaprastama Asa Bersama.
Lu Huang Yuan Yu 118 <b>IMO: 9769556</b> <b>MMSI: 412331088</b>	Qingdao Zhongtai Oceanic Fisheries Co Ltd 青岛中泰远洋渔业有限公司	After fishing for squid off the coast of Argentina, the Lu Huang Yuan Yu 118 returned to port in Indonesia in July 2020. After their return, authorities boarded the vessels and found the

<sup>13</sup> Sala, E., et al. (2018, June 6). The Economics of Fishing the High Seas. Science Advances. Vol 4. Retrieved from: <https://www.science.org/doi/10.1126/sciadv.aat2504#>.

<sup>14</sup> Yap, C-W. (2021, April 21). China's Fishing Fleet, the World's Largest, Drives Beijing's Global Ambitions. Wall Street Journal. Retrieved from: <https://www.wsj.com/articles/chinas-fishing-fleet-the-worlds-largest-drives-beijings-global-ambitions-11619015507>.

<sup>15</sup> Data collected by C4ADS. Documents and additional reporting held by the authors.

		<p>body of a deceased worker inside the freezer of the Lu Huang Yu 118.<sup>16</sup></p> <p>Indonesian authorities arrested six executives from local recruitment agencies for allegedly placing 22 Indonesian migrant fishermen on the two Chinese fishing vessels.</p>
<p>Ning Tai 52 <b>IMO: 9859284</b> <b>MMSI: 412421114</b></p>	<p>Zhoushan Ningtai Ocean Fisheries Co Ltd 舟山宁泰远洋渔业有限公司</p>	<p>One crewmember onboard the Ning Tai 52 submitted a complaint that matched the following International Labor Organization (ILO) forced labor indicators: abuse of vulnerability, deception, restriction of movement, physical and sexual violence, intimidation and threats, withholding of wages, abusive working and living conditions, and excessive overtime.<sup>17</sup> In response, the vessel's registered owner claimed that no forced labor had occurred onboard the vessel.</p>
<p>Hong Run 6 <b>IMO: 8776887</b> <b>MMSI: 412420406</b></p>	<p>Zhoushan Hongrun Ocean Fishery Co Ltd 舟山市宏润远洋渔业有限公司</p>	<p>Two crewmembers aboard the Hong Run 6 submitted complaints that matched the following ILO forced labor indicators: deception, retention of identity documents, withholding of wages, abusive working and living conditions, and excessive overtime.<sup>18</sup></p>
<p>Fu Xin <b>IMO: 8775297</b> <b>MMSI: 412330959</b></p>	<p>Rizhao Jingchang Fishery 日照市景昌渔业有限公司</p>	<p>One crewmember onboard the Fu Xin submitted a complaint that matched the following ILO forced labor indicators: abuse of</p>

<sup>16</sup> Gokkon, B. (2020, July 28). Arrests in Indonesian probe into latest case of labor abuses on Chinese fishing boats. Mongabay. Retrieved from: <https://news.mongabay.com/2020/07/arrests-in-indonesian-probe-into-latest-case-of-labor-abuses-on-chinese-fishing-boats/>.

<sup>17</sup> Greenpeace in collaboration with Serikat Buruh Migran Indonesia (SBMI). (2021, May 31). Forced Labour At Sea: The Case of Indonesian Migrant Fishers. Retrieved from: [https://www.greenpeace.org/static/planet4-southeastasia-stateless/2021/05/ef65bfe1-greenpeace-2021-forced-labour-at-sea-digital\\_final.pdf](https://www.greenpeace.org/static/planet4-southeastasia-stateless/2021/05/ef65bfe1-greenpeace-2021-forced-labour-at-sea-digital_final.pdf).

<sup>18</sup> Ibid.

		vulnerability, deception, restriction of movement, physical and sexual violence, intimidation and threats, withholding of wages, abusive working and living conditions, and excessive overtime. <sup>19</sup>
Ming Xiang 828 <b>IMO: 8775297</b> <b>MMSI: 412330959</b>	Zhoushan Mingxiang Marine Fish Co Ltd 舟山市明翔远洋渔业有限公司	One crewmember onboard the Ming Xiang 828 submitted a complaint that matched the following ILO forced labor indicators: abuse of vulnerability, deception, withholding of wages, abusive working and living conditions, and excessive overtime. <sup>20</sup>
Zhou Yu 905 <b>IMO: 9819569</b> <b>MMSI: 412421044</b>	China Aquatic Products Zhoushan Marine Fisheries Corp 中国水产舟山海洋渔业制品有限公司	Four crewmembers aboard the Zhou Yu 905 submitted a complaint that matched the following ILO forced labor indicators: abuse of vulnerability, deception, intimidation and threats, withholding of wages, and retention of identity documents. <sup>21</sup>
Zhou Yu 901 <b>IMO: 8775156</b> <b>MMSI: 412420872</b>	China Aquatic Products Zhoushan Marine Fisheries Corp 中国水产舟山海洋渔业制品有限公司	One crewmember onboard the ZHOU YU 901 submitted a complaint that matched the following ILO forced labor indicators: abuse of vulnerability, deception, withholding of wages, and abusive working and living conditions. <sup>22</sup>
Zhan Hai 002 <b>IMO: 9884497</b> <b>MMSI: 412549017</b>	Guangdong Zhanhai Pelagic Fishery Co Ltd 广东展海远洋渔业有限公司	One crewmember onboard the Zhan Hai 002 submitted a complaint that matched the following ILO forced labor indicators: abuse of vulnerability, deception, restriction of

<sup>19</sup> Greenpeace in collaboration with Serikat Buruh Migran Indonesia (SBMI). (2021, May 31). Forced Labour At Sea: The Case of Indonesian Migrant Fishers. Retrieved from: [https://www.greenpeace.org/static/planet4-southeastasia-stateless/2021/05/ef65bfe1-greenpeace-2021-forced-labour-at-sea-digital\\_final.pdf](https://www.greenpeace.org/static/planet4-southeastasia-stateless/2021/05/ef65bfe1-greenpeace-2021-forced-labour-at-sea-digital_final.pdf).

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

		movement, physical and sexual violence, withholding of wages, abusive working and living conditions, and excessive overtime. <sup>23</sup>
Chang Tai 802 <b>IMO: 8775405</b> <b>MMSI: 412354056</b>	Haimen Changtai Pelagic Fishery Co Ltd 海门市昌泰远洋捕捞有限公司	One crewmember onboard the Chang Tai 802 submitted a complaint that matched the following ILO forced labor indicators: abuse of vulnerability, physical and sexual violence, intimidation and threats, and abusive working and living conditions. <sup>24</sup>
Ming Wang <b>IMO: 8775948</b> <b>MMSI: 412401220</b>	CNFC Overseas Fisheries Co Ltd 中水集团远洋股份有限公司	Two crewmembers aboard the Ming Wang submitted complaints that matched the following ILO forced labor indicators: abuse of vulnerability, deception, withholding of wages, and abusive working and living conditions. <sup>25</sup>

**Table 6:** Vessels with alleged links to forced labor.

<sup>23</sup> Greenpeace in collaboration with Serikat Buruh Migran Indonesia (SBMI). (2021, May 31). Forced Labour At Sea: The Case of Indonesian Migrant Fishers. Retrieved from: [https://www.greenpeace.org/static/planet4-southeastasia-stateless/2021/05/ef65bfe1-greenpeace-2021-forced-labour-at-sea-digital\\_final.pdf](https://www.greenpeace.org/static/planet4-southeastasia-stateless/2021/05/ef65bfe1-greenpeace-2021-forced-labour-at-sea-digital_final.pdf).

<sup>24</sup> Ibid.

<sup>25</sup> Ibid.

## ALLEGED LINKS TO IUU FISHING

Vessel Details	Registered Owner	Case Details
Lu Rong Yuan Yu 668 <b>IMO: 8775871</b> <b>MMSI: 412331076</b>	Rongcheng Rongyuan Fishing Industry Co Ltd 荣成市荣远渔业有限公司	On April 28, 2020, the Lu Rong Yuan Yu 668 was reportedly detected fishing illegally within Argentina's EEZ (see the case study below for more information). <sup>26 27</sup>
Hong Run 55 <b>IMO: 8776916</b> <b>MMSI: 412420453</b>	Zhoushan Hongrun Ocean Fishery Co Ltd 舟山市宏润远洋渔业有限公司	In December 2017, the Hong Run 55 reportedly violated the SPRFMO's regulations prohibiting at-sea transshipment with an unregistered carrier. <sup>28</sup>
Lu Rong Yuan Yu 787 * <b>IMO: N/A</b> <b>MMSI: N/A</b>	Shidao Group Co Ltd 石岛集团有限公司	On August 19, 2018, the The North Pacific Fisheries Commission (NPFC) included the Lu Rong Yuan Yu 787 within their IUU list after the vessel was detected by Japanese authorities operating without authorization in the NPFC Convention Area. <sup>29</sup> At the time of its listing, the vessel was owned by Shidao Group Co Ltd. <sup>30</sup>  While the Lu Rong Yuan Yu 787 does not appear in our subset of 140 vessels, Shidao Group Co Ltd is the registered owner of at least four of our vessels of interest.

<sup>26</sup> Revista Puerto. (2020, December 5). El potero chino que se "fugó", fondeará hoy en Madryn [The Chinese jigger who "escaped" will anchor today in Madryn]. Retrieved from: <https://revistapuerto.com.ar/2020/05/el-potero-chino-que-se-fugo-fondeara-hoy-en-madryn/>.

<sup>27</sup> Merco Press. (2020, May 15). Chinese jigger which had escaped arrest, finally ordered by its company to turn in. Retrieved from: <https://en.mercopress.com/2020/05/15/chinese-jigger-which-had-escaped-arrest-finally-ordered-by-its-company-to-turn-in>.

<sup>28</sup> 农业农村部 [Ministry of Agriculture and Rural Affairs]. (2018, March 20). 农业部办公厅关于部分远洋渔业企业及渔船违法违规问题和处理意见的通报 [The General Office of the Ministry of Agriculture on some pelagic fishery enterprises and Circular of fishing vessel violations of laws and regulations and handling opinions]. Retrieved from: [http://www.moa.gov.cn/nybg/b/2018/201803/201805/t20180528\\_6143244.htm](http://www.moa.gov.cn/nybg/b/2018/201803/201805/t20180528_6143244.htm).

<sup>29</sup> Combined IUU Vessel List. (2022). Vessel Details - LU RONG YUAN YU 787 - Currently Listed. Trygg Mat Tracking. Retrieved from: <https://iuu-vessels.org/Vessel/GetVessel/f4081c41-9c14-43ef-9479-ff9805c1a579>.

<sup>30</sup> Ibid.

<p>Jing Yuan 626 *</p> <p><b>IMO: 9784568</b></p> <p><b>MMSI: 412331089</b></p>	<p>Yantai Beijing Deep Ocean Fishing Company Limited 烟台京远渔业有限公司</p>	<p>On February 21, 2018, the Argentine Coast Guard detected the Jing Yuan 626 illegally fishing in the Gulf of San Jorge in the Argentine EEZ.<sup>31</sup> During the Coast Guard's pursuit of the Jing Yuan 626, four other vessels, including the Jing Yuan 608, carried out maneuvers to attempt to prevent the Coast Guard vessel from intercepting the Jing Yuan 626.<sup>32</sup> The vessel eventually escaped.</p> <p>In early March 2018, an Argentine federal judge ordered the international capture of the Jing Yuan 626 and the four additional vessels that assisted its escape.</p> <p>On May 4, 2018, the registered owner of the Jing Yuan 626 paid 500,000 pesos (USD\$20,768) to cover the costs of pursuing the Jing Yuan 626, as well as a fine of over 7,500,000 pesos (USD\$69,838) to the Argentine Undersecretariat of Fisheries and Aquaculture.<sup>33</sup></p> <p>Although the Jing Yuan 626 was not included within our dataset of 140 vessels, the Jing Yuan 608 (which was also owned by Yantai Beijing Deep Ocean Fishing Company Limited) is.</p>
<p>Hong Pu 16 *</p> <p><b>IMO: 9890551</b></p> <p><b>MMSI: 412549092</b></p>	<p>Zhoushan Hongpu Ocean Fishery Co Ltd 舟山市弘普远洋渔业有限公司</p>	<p>On May 4, 2020, the Argentine Navy detected the Hong Pu 16 fishing illegally inside the Argentine EEZ with its gear deployed, fishing lights on, and AIS turned off.<sup>34</sup> The Argentine Navy vessel attempted to contact the Hong Pu 16, but the vessel sailed</p>

<sup>31</sup> El Universo. (2018, February 26). Buque chino sorprendido en Argentina en faenas de pesca ilegal [Chinese ship surprised in Argentina in illegal fishing operations]. Retrieved from: <https://www.eluniverso.com/noticias/2018/02/26/nota/6642049/buque-chino-sorprendido-argentina-faenas-pesca-ilegal/>.

<sup>32</sup> Fundación Nuestro Mar. (2018, May 5). Pesca ilegal: por primera vez, el Estado argentino cobró los gastos de la persecución a un buque chino [Illegal fishing: for the first time, the Argentine State charged the expenses of the persecution of a Chinese vessel]. Retrieved from: <http://www.nuestromar.org/66211-05-2018/pesca-ilegal-primera-vez-estado-argentino-cobr-gastos-persecuci-n-un-buquechino>.

<sup>33</sup> Diario Jornada. (2018, May 5). Por primera vez, una empresa china pagó a Prefectura la persecución de un buque pirata [For the first time, a Chinese company paid the Prefecture for the pursuit of a pirate ship]. Retrieved from: <https://surenio.com.ar/2018/05/empresa-china-abono-a-prefectura-5-millones-de-pesos-por-gastos-de-persecucion-de-unpesquero>.

<sup>34</sup> Bates, Q. (2020, May 6). Chinese jigger intercepted by Argentine Navy. FiskerForum. Retrieved from: <https://fiskerforum.com/chinese-jigger-intercepted-by-argentine-navy/>.

towards international waters. After a three-hour pursuit, the Navy vessel intercepted and boarded the Hung Pu 16. Argentine officials discovered 700 kilograms of fresh catch and 300 kilograms of frozen catch in the vessel's cargo holds. The Navy vessel then escorted the Hong Pu 16 to the port of Bahía Blanca.<sup>35</sup>

While the Hong Pu 16 was not included within our dataset, its registered owner, Zhoushan Hongpu Ocean Fishery Co Ltd, owns four of our vessels of interest.

**Table 7:** *Vessels with alleged links to IUU fishing. Asterisks indicate vessels that are indirectly linked to our vessels of interest through their registered owners.*

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<sup>35</sup> Bates, Q. (2020, May 6). Chinese jigger intercepted by Argentine Navy. FiskerForum. Retrieved from: <https://fiskerforum.com/chinese-jigger-intercepted-by-argentine-navy/>.



# CASE STUDY: LU RONG YUAN YU 668

In order to better understand the operations of non-compliant squid fishing vessels in the Southeast Pacific Ocean, C4ADS took a closer look at one of our vessels of interest with links to IUU fishing: the Lu Rong Yuan Yu 668.



**Figure 7:** The Lu Rong Yuan Yu 668 was detected fishing illegally in the Argentine EEZ on April 28, 2020.  
Source: Merco Press<sup>36</sup>

On April 28, 2020, the Argentine Coast Guard observed a Chinese-flagged pole and line squid fishing vessel, the Lu Rong Yuan Yu 668, fishing without authorization in the Argentine EEZ.<sup>37</sup> Upon detection, the Argentine Coast Guard ordered the Lu Rong Yuan Yu 668 to cease all activities and allow an onboard inspection.<sup>38</sup> Instead, the vessel “turned off its fishing lights, pulled in its jiggers” and sailed into international waters.<sup>39</sup> The Lu Rong Yuan Yu 668 successfully evaded arrest after the Coast Guard ended its pursuit of the vessel into international waters due to inclement weather conditions.<sup>40</sup>

<sup>36</sup>Merco Press. (2020, May 15). Chinese jigger which had escaped arrest, finally ordered by its company to turn in. Retrieved from: <https://en.mercopress.com/2020/05/15/chinese-jigger-which-had-escaped-arrest-finally-ordered-by-its-company-to-turn-in>.

<sup>37</sup>Revista Puerto. (2020, December 5). El potero chino que se “fugó”, fondeará hoy en Madryn [The Chinese jigger who “escaped” will anchor today in Madryn]. Retrieved from: <https://revistapuerto.com.ar/2020/05/el-potero-chino-que-se-fugo-fondeara-hoy-en-madryn/>.

<sup>38</sup>Merco Press. (2020, May 15). Chinese jigger which had escaped arrest, finally ordered by its company to turn in. Retrieved from: <https://en.mercopress.com/2020/05/15/chinese-jigger-which-had-escaped-arrest-finally-ordered-by-its-company-to-turn-in>.

<sup>39</sup> Godfrey, M. (2020, April 29). Argentina’s squid industry protests Chinese EEZ incursions. Seafood Source. Retrieved from: <https://www.seafoodsource.com/news/environment-sustainability/argentinas-squid-industry-protests-chinese-eez-incursions>.

<sup>40</sup>Merco Press. (2020, May 15). Chinese jigger which had escaped arrest, finally ordered by its company to turn in. Retrieved from: <https://en.mercopress.com/2020/05/15/chinese-jigger-which-had-escaped-arrest-finally-ordered-by-its-company-to-turn-in>.

After receiving advice from a law firm based in Argentina, the Lu Rong Yuan Yu 668 surrendered to Argentine authorities on May 13, 2020 and was escorted to Puerto Madryn to face charges before the Argentine Federal Court.<sup>41 42 43</sup> According to Roberto Wyn Hughes, the lawyer representing the vessel, the vessel's owner, Rongcheng Rongyuan Fishery Company Limited (荣成市荣远渔业有限公司), was advised to surrender to Argentine authorities to prevent the Argentine federal justice system from issuing an Interpol Purple Notice and disrupting the vessel's long-term operations.<sup>44 45</sup>

### *Vessel Fine & Punishment*

On May 29, 2020, the Chinese owners of the Lu Rong Yuan Yu 668 paid 30 million pesos (approximately USD\$436,353) in fines to the Argentine Ministry of Agriculture, Livestock, and Fisheries and 5 million pesos (approximately USD\$72,725) in fines to the Argentine Naval Prefecture for illegally fishing in the Argentine EEZ.<sup>46</sup> The company was required to pay for the two days the Lu Rong Yuan Yu 668 fished in Argentine waters, as well as the catch and fishing equipment onboard the vessel, and the expenses of the pursuit.<sup>47 48 49</sup>

### *Ownership & Global Supply Chains*

C4ADS' analysis of the Lu Rong Yuan Yu 668's ownership network reveals links to global supply chains that could expose international markets to illicitly harvested fish products.

The Lu Rong Yuan Yu 668 is owned and operated by Rongcheng Rongyuan Fishery Company Limited (RRFC) (荣成市荣远渔业有限公司), which is headquartered in Weihai, China but

<sup>41</sup>Revista Puerto. (2020, December 5). El potero chino que se "fugó", fondeará hoy en Madryn [The Chinese jigger who "escaped" will anchor today in Madryn]. Retrieved from: <https://revistapuerto.com.ar/2020/05/el-potero-chino-que-se-fugo-fondeara-hoy-en-madryn/>.

<sup>42</sup>Merco Press. (2020, May 15). Chinese jigger which had escaped arrest, finally ordered by its company to turn in. Retrieved from: <https://en.mercopress.com/2020/05/15/chinese-jigger-which-had-escaped-arrest-finally-ordered-by-its-company-to-turn-in>.

<sup>43</sup>Serrichio, S. (2020, May 16). Depredación en el mar: la historia sin fin de la pesca ilegal de buques extranjeros en aguas argentinas [Predation at sea: the never-ending story of illegal fishing by foreign vessels in Argentine waters]. Infobae. Retrieved from: <https://www.infobae.com/economia/2020/05/16/depredacion-icticola-la-historia-sin-fin-de-la-pesca-ilegal-de-buques-extranjeros-en-el-mar-argentino/>.

<sup>44</sup>Revista Puerto. (2020, December 5). El potero chino que se "fugó", fondeará hoy en Madryn [The Chinese jigger who "escaped" will anchor today in Madryn]. Retrieved from: <https://revistapuerto.com.ar/2020/05/el-potero-chino-que-se-fugo-fondeara-hoy-en-madryn/>.

<sup>45</sup>Aguilera, E. (2020, May 15). Pesquero chino que se fugó se allana a la Justicia argentina [Chinese fisherman who escaped acquiesces to the Argentine Justice]. Ámbito. Retrieved from: <https://www.ambito.com/politica/pesquero-chino-que-se-fugo-se-allana-la-justicia-argentina-n5102703>.

<sup>46</sup>Peca Chubut. (2020, June 4). Finalmente el potero chino "Lu Rong Yuan Yu 668" fue liberado y volvió a aguas internacionales [Finally the Chinese jigger "Lu Rong Yuan Yu 668" was released and returned to international waters]. Retrieved from: <https://pescachubut.ar/finalmente-el-potero-chino-lu-rong-yuan-yu-668-fue-liberado-y-volvio-a-aguas-internacionales/>.

<sup>47</sup>Peca Chubut. (2020, June 4). Finalmente el potero chino "Lu Rong Yuan Yu 668" fue liberado y volvió a aguas internacionales [Finally the Chinese jigger "Lu Rong Yuan Yu 668" was released and returned to international waters]. Retrieved from: <https://pescachubut.ar/finalmente-el-potero-chino-lu-rong-yuan-yu-668-fue-liberado-y-volvio-a-aguas-internacionales/>.

<sup>48</sup>It is possible that during the period in which LU RONG YUAN YU 668 was in international waters with its AIS turned off prior to returning to port, it could have transhipped some of the catch onboard at the time the vessel was caught fishing illegally in the Argentine EEZ. See: Fish Information & Services (FIS). (2020, May 15). Argentina rewards those who plunder their seas. Revista Puerto. Retrieved from: <http://www.fis-net.com/fis/worldnews/worldnews.asp?monthyear=&day=15&id=107743&l=e&special=0&ndb=0>.

<sup>49</sup>El Patagónico. (2020, June 2). Pagarán \$35 millones para liberar al potero chino [They will pay \$35 million to free the Chinese jigger]. Retrieved from: <https://www.elpatagonico.com/pagaran-35-millones-liberar-al-potero-chino-n5106968>.

purportedly operates much of its fleet in the South Atlantic from the Port of Montevideo, Uruguay.<sup>50 51</sup>

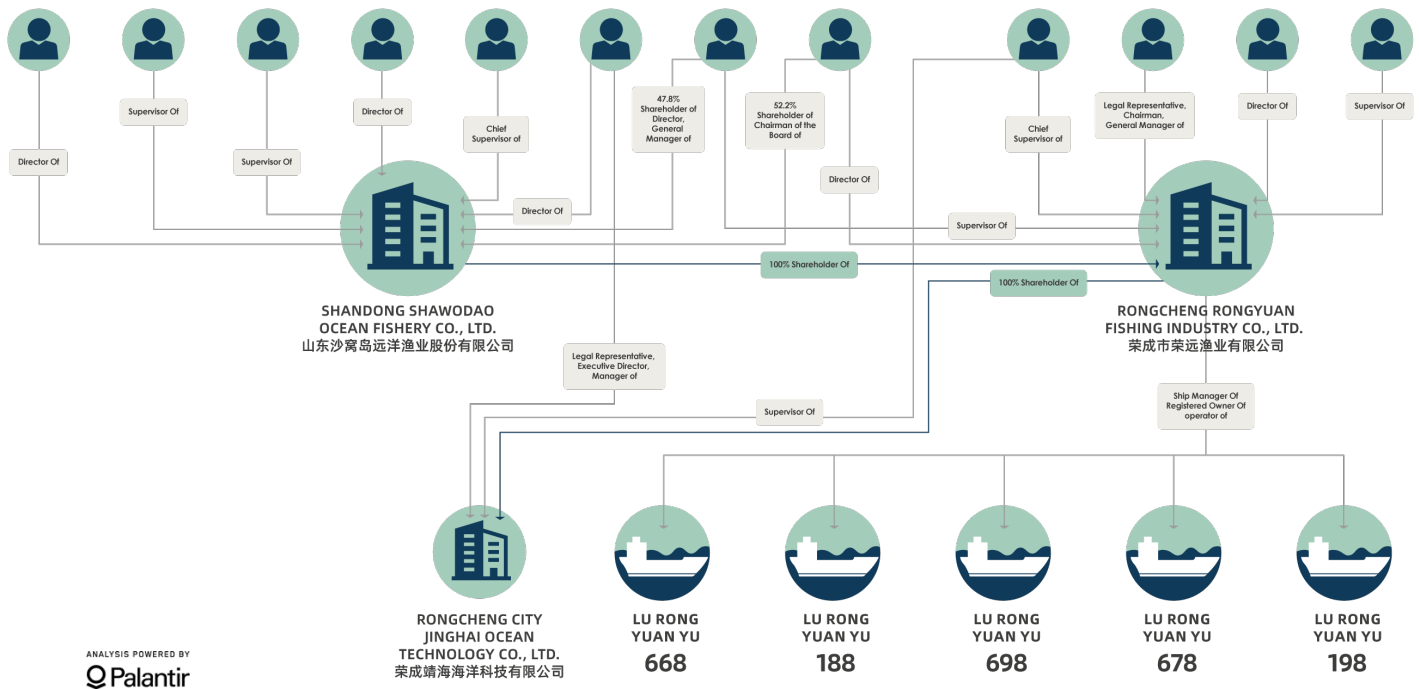


Figure 6: Corporate network chart for Rongcheng Rongyuan Fishing Industry Co Ltd

RRFC also owns 48 other fishing vessels, six of which are authorized to export fish products to the European Union.<sup>52</sup>

RRFC is wholly owned by Shandong Shawodao Ocean Fishery (山东沙窝岛远洋渔业股份有限公司), which is in turn owned by the Jinghai Group Co Ltd (靖海集团有限公司).<sup>53</sup> Six vessels directly owned by Shandong Shawodao Ocean Fishery are also permitted to export fish products to the European Union.<sup>54</sup>

<sup>50</sup> IHS Markit

<sup>51</sup> Fish Information & Services (FIS). (2020, May 15). Argentina rewards those who plunder their seas. Revista Puerto. Retrieved from: <http://www.fis-net.com/fis/worldnews/worldnews.asp?monthyear=&day=15&id=107743&l=e&special=0&ndb=0>.

<sup>52</sup>

[https://webcache.googleusercontent.com/search?q=cache:84NkskfVhwJ:https://webgate.ec.europa.eu/sanco/traces/output/CN/FFP\\_CN\\_nl.pdf+%&cd=2&hl=en&ct=clnk&gl=us](https://webcache.googleusercontent.com/search?q=cache:84NkskfVhwJ:https://webgate.ec.europa.eu/sanco/traces/output/CN/FFP_CN_nl.pdf+%&cd=2&hl=en&ct=clnk&gl=us)

<sup>53</sup> 靖海集团有限公司 [Jinghai Group Co Ltd]. (2022). 企业简介 [Company Profiles]. Jinghai Group Company Website. Retrieved from: <https://web.archive.org/web/20200225114251/http://www.jinghaigroup.cc/about/?24.html>.

<sup>54</sup>

[https://webcache.googleusercontent.com/search?q=cache:84NkskfVhwJ:https://webgate.ec.europa.eu/sanco/traces/output/CN/FFP\\_CN\\_nl.pdf+%&cd=2&hl=en&ct=clnk&gl=us](https://webcache.googleusercontent.com/search?q=cache:84NkskfVhwJ:https://webgate.ec.europa.eu/sanco/traces/output/CN/FFP_CN_nl.pdf+%&cd=2&hl=en&ct=clnk&gl=us)

# CONCLUSION

Identifying the beneficial owners of the squid fishing fleet can help governments, civil society, and regulators more effectively trace the proceeds of squid fishing activity and monitor where squid is being landed, processed, and then potentially re-exported. These insights are essential to ensure compliant and sustainable high seas fishing and effective fisheries management for squid species. Without improved ownership transparency, squid in the Southeast Pacific Ocean will continue to be vulnerable to both unsustainable and IUU fishing.

C4ADS' research on the beneficial ownership of 140 DWF vessels harvesting squid in the Southeast Pacific Ocean reveals three primary takeaways:

- First, that their ownership is concentrated amongst only 50 registered corporate owners, with additional overlap between shareholders and beneficial owners;
- Second, that several of the vessels are linked to the Chinese government; and
- Third, that at least 16 of the vessels or companies identified have a past history of regulatory non-compliance.

This evidence of non-compliant behavior raises concerns about the legality and traceability of squid caught by these vessels, particularly given the difficulty of monitoring squid fishing operations and transshipment on the high seas. To address this issue, C4ADS recommends the following:

- **Countries should implement a beneficial ownership reporting requirement for fishing vessels.** Currently, beneficial ownership analyses must be done manually by those with adequate data access across many different jurisdictions. But the challenges associated with accessing ownership data in different countries, languages, and formats often prevents in-depth beneficial ownership analysis by governments and industry. In order to facilitate industry and financial sector due diligence, as well as monitoring and enforcement efforts, fishing vessels and their owners should be required to report both their registered and ultimate beneficial ownership.
- **Downstream companies selling seafood products, particularly squid fishery products, should demand increased transparency and traceability from their suppliers.** Consumers increasingly prefer to purchase sustainably sourced products, and are often willing to pay a higher price for products with clear sourcing. Downstream companies should capitalize on this to improve the sustainability of their supply chains.

- **In the event that beneficial ownership information is made more readily available for the squid fleet, downstream companies should use the information to ensure that non-compliant or bad actor companies are removed from their supply chains.**
- **Regulatory and management frameworks should be expanded for squid fisheries in the Southeast Pacific to better ensure that DWF activity on the high seas is legal, sustainable, and traceable.**

# APPENDIX I: FULL LIST OF DIRECT OWNERS OF ANALYZED VESSELS OPERATING IN THE SOUTHEAST PACIFIC OCEAN BETWEEN 2015 AND 2020

Source: C4ADS, Chinese Corporate Registry

#	Owner	Total # of Vessels
1	China Yantai Marine Fisheries Co Ltd 烟台海洋渔业有限公司	10
2	Zhoushan Putuo Deep Sea Fishery Co Ltd 舟山市普陀远洋渔业有限公司	9
3	Zhoushan Ningtai Ocean Fisheries Co Ltd 舟山宁泰远洋渔业有限公司	8
4	Zhoushan Jiade International Fisheries Co Ltd 舟山市嘉德远洋渔业有限公司	7
5	Zhoushan Huaying Ocean Fisheries Co Ltd 舟山市华鹰远洋渔业有限公司	6
6	Zhoushan Hanyi Deep-Sea Fishing Co Ltd 舟山汉益远洋渔业有限公司	5
7	Rongcheng Rongyuan Fishing Industry Co Ltd 荣成市荣远渔业有限公司	5
8	Zhoushan Hongrun Ocean Fishery Co Ltd 舟山市宏润远洋渔业有限公司	5
9	Rizhao Jingchang Fishery Co Ltd 日照市景昌渔业有限公司	5
10	Zhoushan Hongpu Ocean Fishery Co Ltd 舟山市弘普远洋渔业有限公司	4
11	Zhoushan Mingxiang Marine Fishery Co Ltd 舟山市明翔远洋渔业有限公司	4
12	Fujian Province Lianjiang Farsea Fishery Co Ltd 福建省连江县远洋渔业有限公司	4
13	Fujian Pingtan County Ocean Fishery Group Co Ltd 福建省平潭县远洋渔业集团有限公司	4
14	Shidao Group Co Ltd 石岛集团有限公司	4

15	Zhoushan Shunxing Blue-waters Fishery Co Ltd (aka Zhoushan Shunhang Ocean Fisheries Co Ltd) 舟山顺行远洋渔业有限公司	4
16	Zhejiang Great Fishery Co Ltd	4
17	Rongcheng Chishan Ocean Fishery Co Ltd 荣成市赤山远洋渔业有限公司	3
18	Weihai Rong Marr Fishery Co Ltd 威海荣玛渔业有限公司	3
19	Zhoushan Jinhai Blue-waters Fishery Co Ltd 舟山市金海远洋渔业有限公司	3
20	Zhoushan Haideli Ocean Fisheries Limited 舟山海得利远洋渔业有限公司	3
21	Rongcheng Yong Jin Aquatic Co Ltd 荣成市永进水产有限公司	3
22	Zhoushan Run Da Ocean Fishery Co Ltd 舟山润达远洋渔业有限公司	2
23	China Aquatic Products Zhoushan Marine Fisheries Corp 中国水产舟山海洋渔业制品有限公司	2
24	Liaoning Dalian Ocean Fishery Group Corp. 辽渔集团有限公司	2
25	Rongcheng Wangdao Ocean Co Ltd	2
26	Rongcheng Jiapeng Fishery Co Ltd 荣成市嘉鹏渔业有限公司	2
27	Rongcheng Xinrun Aquatic Products Co Ltd 荣成鑫润水产有限公司	2
28	Weihai Huanhai Aquatic Co Ltd 威海市环海水产有限公司	2
29	Zhejiang Zhoupu Ocean Fisheries Co Ltd 浙江舟普远洋渔业有限公司	2
30	Sun Min Fisheries Co Ltd 선민수산(주)	1
31	Qingdao Zhongtai Oceanic Fisheries Co Ltd 青岛中泰远洋渔业有限公司	1
32	Shanghai He Shun Fishery Co Ltd 上海和顺渔业有限公司	1
33	Guangdong Zhanhai Pelagic Fishery Co Ltd 广东展海远洋渔业有限公司	1
34	Fuzhou Honglong Ocean Fishing Co Ltd 福州宏龙海洋水产有限公司	1
35	Yantai Beijing Deep Ocean Fishing Company Limited 烟台京远渔业有限公司	1
36	Rongcheng Lianhai Fishery Co Ltd 荣成市连海渔业有限公司	1
37	Haimen Changtai Pelagic Fishery Co Ltd 海门市昌泰远洋捕捞有限公司	1
38	Qingdao Haoyang Ocean Fishery Co Ltd 青岛浩洋远洋渔业有限公司	1

39	Zhoushan Xinjili Ocean Fishery Co Ltd 舟山新吉利远洋渔业有限公司	1
40	CNFC Overseas Fishery Co Ltd 中水集团远洋股份有限公司	1
41	Zhoushan Yinghai Ocean Fisheries Co Ltd 舟山盈海远洋渔业有限公司	1
42	Rongcheng Hongshun Aquatic Co Ltd 荣成市泓顺水产有限公司	1
43	An-Fong Lian An Fishery Co Ltd 安豐聯安漁業股份有限公司	1
44	Top Fisheries Co Ltd	1
45	Hsiang Jaan Marine Co Ltd 祥展水產股份有限公司	1
46	Agnes Fisheries Co Ltd 아그네스수산(주)	1
47	Jiin Ta Horng Fishery Co Ltd 錦大鴻漁業股份有限公司	1
48	Zhoushan Zhongju Ocean Fisheries Co Ltd 舟山中巨远洋渔业有限公司	1
49	Zhejiang Zhoushan Shunze Ocean Fishery Co Ltd 浙江舟山顺泽远洋渔业有限公司	1
50	Her Yang Fishery Co Ltd 合陽漁業股份有限公司	1
	<b>Grand Total</b>	<b>140</b>