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Minimal Impact of New HK Chilean Seabass Legislation on U.S. Exports

Report Categories:

Fishery Products

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Sanitary/Phytosanitary/Food Safety

Approved By:

Alicia Hernandez

Prepared By:

Caroline Yuen

Report Highlights:

In mid-2018, the Hong Kong government is planning to introduce a new ordinance on toothfish (more commonly known as Chilean seabass) to comply with the Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR). As a signatory of the CCAMLR, the United States already provides the soon-to-be required certification, so the expected impact on the minimal amount of U.S. exports of Chilean seabass/toothfish to Hong Kong is negligible. The forthcoming change to the legislation includes two subsidiary regulations requiring the implementation of the Catch Documentation Scheme for toothfish (*Dissostichus* spp.), whereby each catch or shipment of toothfish must be accompanied by a valid catch, export, or re-export document.

The Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR) took effect in 1982 with the goal of conserving Antarctic marine living resources found south of the Antarctic Convergence. Within it, the CCAMLR has a Commission that establishes regulatory measures intended to make signatories comply with the Convention. In May 2000, the Commission adopted a set of Conservation Measures (CM) named “Catch Documentation Scheme for *Dessostichus spp.*” to protect toothfish from illegal, unreported, and unregulated (IUU) fishing.

China is a signatory of the CCAMLR, and Hong Kong, as a Special Administrative Region of the People’s Republic of China (PRC), can have international agreements signed by the PRC extended to its jurisdiction when it is in agreement and prepared to implement them. As such, Hong Kong is going to introduce this new toothfish legislation so that its regulatory framework is amendable to the implementation of the Convention and its CM.

In 2014, the Hong Kong government (HKG) conducted a public consultation on the “Proposed Legislation for Implementing the Convention on the Conservation of Antarctic Marine Living Resources” and the results indicated general support from both the industry and environmentalists. In a recent trade forum, the government announced that the legislation should be ready for legislative scrutiny in mid-2018.

Regulatory Framework

To observe the international Convention and its associated Catch Documentation Scheme, the Hong Kong government will stipulate two subsidiary regulations, namely:

- Toothfish Catch Documentation Scheme Regulation
- Port Inspection Regulation

When these two regulations are in place, the Agriculture, Fisheries and Conservation Department will have the authority to require documents to verify the legitimacy of toothfish shipments and to search vessels and confiscate and dispose illegitimate shipments. In addition, the trade will be monitored and regulated through a mandatory licensing system.

Hong Kong Toothfish Market

Toothfish is generally known as Patagonian toothfish, Chilean white seabass, Antarctic toothfish, and white cod in Hong Kong. The retail price is relatively high even for an affluent market like Hong Kong, at about HKD120/100 gm (USD 15.50/100 gm). According to the Hong Kong government, Hong Kong is one of the world’s major importers of toothfish. In 2016, Hong Kong imported 2,000 metric tons (MT) of toothfish, (Source: Hong Kong Agriculture, Fisheries and Conservation Department), with France and Chile as the two largest suppliers. Hong Kong government officials have indicated that no Hong Kong-flagged vessels are engaged in the toothfish catch in the Antarctic waters.

The United States is a signatory of the CCAMLR and the U.S. export volume of toothfish to Hong Kong is minimal. Therefore, any U.S. shipments of toothfish to Hong Kong should already provide the

supporting documents validating the shipments' compliance with Commission's CM, which will be required by Hong Kong's forthcoming regulations. As such, Hong Kong's new regulatory control should not impact U.S. exports to Hong Kong.

Traders who are active in this industry said the new regulatory measure should not pose any hurdles for their business as many of their premium shipments of toothfish already have the Marine Stewardship Council (MSC) certification, which provides the traceability of their shipments.

Timeframe

The Hong Kong government has indicated that the new regulations will be presented to the Legislative Council for scrutiny in mid-2018. Upon enactment of the new ordinance, which is expected to take place in early 2019, the government will introduce two subsidiary regulations which are planned for implementation in late 2019. Government officials also indicated that industry will be given a six-month grace period to prepare for the new requirements. As such, the full implementation of the documentary requirements for toothfish will most likely start in mid-2020.