Fishing vessels flying the Ghanaian flag cannot be owned, or part owned, by any foreign interest, according to Ghana’s Fisheries Act. This restriction applies to industrial and semi-industrial vessels, with the exception of tuna vessels. It is designed to ensure that the financial benefits from these fisheries flow directly to Ghana, rather than being sent overseas.

Despite this, foreign interests, in particular from China, are extensive in Ghana’s industrial fishing fleet. Chinese companies operate through Ghanaian ‘front’ companies to import their vessels and register and obtain a licence, setting up opaque corporate structures to circumvent the law. With the balance of control invariably resting with the Chinese investor, such arrangements clearly contravene the purpose of the legislation, if not the letter of the law.

The result is a complete lack of transparency of the true ownership of industrial vessels in Ghana. In official sources only the front company appears; however, in reality up to 90-95% of Ghana’s trawl fleet may have some Chinese involvement.

This lack of transparency disguises the true beneficiaries of profits from illicit activities, preventing them from being held to account. It enables illegal activities along with the systematic over-exploitation of marine resources.

In recent years, Ghana’s trawl sector has been plagued by illegalities, most notably the practice of ‘saiko’ – targeting fish such as ‘small pelagic’ species that are a staple food for local communities. The catch is then transferred at sea to specially adapted canoes and the saiko operators sell these back to the same fishing communities for profit.

Despite being illegal, saiko has increased in recent years, contributing to the rapid decline of Ghana’s fisheries. Scientists have predicted the collapse of Ghana’s small pelagic fishery as early as 2020, threatening the livelihoods of over two million fisherfolk. At the same time, new vessels have continued to arrive from China, despite a moratorium on new industrial trawlers entering Ghanaian waters.

There is a compelling need for greater transparency in the sector, to ensure that the perpetrators of illegal activities can be held to account. While reducing the cost of management and enforcement operations, improving transparency would also help to address inequities, whereby local communities and the country as a whole lose out to foreign operators.
The responsibility for these reforms falls on both the Ghanaian and Chinese governments. The Chinese government plays the key role in the fishing operations of its nationals overseas through subsidies and other incentives. Its recent crackdown on illicit activities of Chinese operators in West Africa is to be welcomed. It is imperative that this momentum be sustained, and that Chinese operations flying other countries’ flags do not escape scrutiny.

In a region where coastal communities depend heavily on fisheries resources for food security and income, it is critical to ensure sustainable, ethical and legal fisheries.

**Recommendations**

**To the government of China:**

1. Cooperate with the Ghanaian authorities to identify Chinese beneficial ownership in Ghana’s industrial fleet, and ensure that arrangements comply with all fisheries, company and tax laws.
2. Carry out all necessary investigations into cases of illegal fishing by Chinese nationals operating industrial trawl vessels flying the flag of Ghana, with a particular focus on saiko activities, and impose relevant sanctions where possible under Chinese law.
3. Update national law, if necessary, to ensure that Chinese nationals that are beneficial owners of fishing vessels flying flags of third countries can be prosecuted and sanctioned for IUU fishing infringements.
4. Investigate any discrepancies in reported gross tonnage of vessels, and ensure appropriate sanctions.
5. Investigate the possible inclusion of Ghanaian-flagged trawl vessels in the Chinese list of establishments authorised to export fisheries products to the EU and take appropriate action should misconduct be identified.
6. Withdraw the distant water fishing certificates of any Chinese companies found to be supporting or engaging in illegal fishing under the Ghanaian flag.
7. Ensure that Chinese fishing companies for which the distant water fishing certificates have already been withdrawn are no longer operating in West Africa.
8. Ensure government support in the form of subsidies, loans and other funds are not available to companies with a history of IUU fishing.
9. Adopt minimum transparency requirements for distant water fishing activities, including the publication of information on distant water fishing authorisations, companies operating overseas, and their areas of operation.
10. Make publicly available a list of all fishing vessels licensed to fish under the Chinese flag.
11. Mandate IMO numbers for all vessels in the Chinese distant water fleet, where eligible under the IMO scheme.

**To the government of Ghana:**

1. Scrutinise the ownership of all industrial vessels operating in Ghana to ensure compliance with the Fisheries Act regarding the nationality of beneficial owners, and publish the results.
2. Require, as part of all applications for a fishing licence, fishing authorisation or entry to the Ghanaian fleet register, submission of records on the destination of profits and information on beneficial ownership and foreign interests.
3. Strengthen legal provisions on beneficial ownership through inclusion of minimum disclosure requirements and publication of details of beneficial ownership in a national register, consistent with Ghana’s beneficial ownership roadmap. Provide for dissuasive sanctions for breaches of nationality requirements set out in the legislation.
4. Maintain and strictly enforce the law against saiko.
5. Ensure all suspected illegal activities by the industrial fleet are subject to thorough investigation, and that deterrent sanctions are imposed where violations are found, in accordance with national law and regardless of whether cases are settled in or out of court.
6. Investigate any discrepancies in reported gross tonnage of vessels, and ensure appropriate sanctions.
7. Immediately reduce the number of fishing licences for industrial trawlers in line with scientific advice on sustainable fisheries management.
8. Make publicly available a list of all vessels licensed to fish under the Ghanaian flag and in the Exclusive Economic Zone, as well as the record of external fishing authorisations and vessel register.
9. To aid transparent and accountable decision-making, make the following information publicly available:
   a. Licence fees paid for access to fisheries resources and conditions of access
   b. Illegal, unreported and unregulated (IUU) fishing infringements and sanctions imposed/paid
   c. Numbers of fishing days allocated to each licensed vessel
   d. Total catches of all fishing sub-sectors, including by-catch
10. Make vessel-monitoring data publicly available through publication of unedited vessel monitoring system data and/or introduction of mandatory, functioning automatic identification systems for all industrial vessels.
11. Mandate International Maritime Organization (IMO) numbers for all industrial vessels fishing in Ghanaian waters or under the Ghanaian flag, where eligible under the IMO scheme.