

ILLEGAL UNREPORTED UNREGULATED (IUU) FISHING

Panama faces a crucial audit of its fishing sector by the EU in 2026. Failure to have lifted the “yellow card” warning currently in place could result in all of the valuable fishery exports to Europe being stopped, and Panama-flag vessels being unable to unload or tranship fishery products in EU ports.

It is perhaps unsurprising that Panama has a thriving fishing sector, both for domestic consumption and for export, with long coasts on both the Pacific and Caribbean. Indeed, according to the Smithsonian Institute, one meaning of “Panama” is said to mean “abundance of fish”. However, it has struggled to comply with developing international standards in both the fishing carried out by its own, locally based vessels, and by those which merely fly the flag of Panama but which operate far from its waters.



The export of fisheries products is an important one for Panama. In 2024, it was reported that the fisheries products that Panama sends to the EU were mainly tuna (90%), shrimp and prawns; and that seafood exports were the second most important food export to the EU after bananas. This was according to data from the Commercial Intelligence Office of the Ministry of Commerce and Industries.¹

¹ It was said that at risk were thought to be exports valued at \$181.1 million in 2023 that the EU received from Panama. Additionally, 190 vessels flying the Panama flag would not be allowed to land or tranship product. The estimated value was said to comprise \$138.2 million in product caught in Panama-flag vessels, with exports of national fishing product to the EU of around \$38 million, and aquaculture products (shrimp) worth \$5 million exported by five companies in Panama.

The 21st Century has seen various initiatives that could assist in ensuring that the fishing and the vessels meet environmental and stock preservation standards. Since 2002, for example, the Salas-Becker Agreement² allowed for joint patrolling with the US Coast Guard (USCG) of Panamanian waters for bilateral maritime law enforcement operations, primarily targeting drug trafficking.³ However, the path has not been entirely smooth.

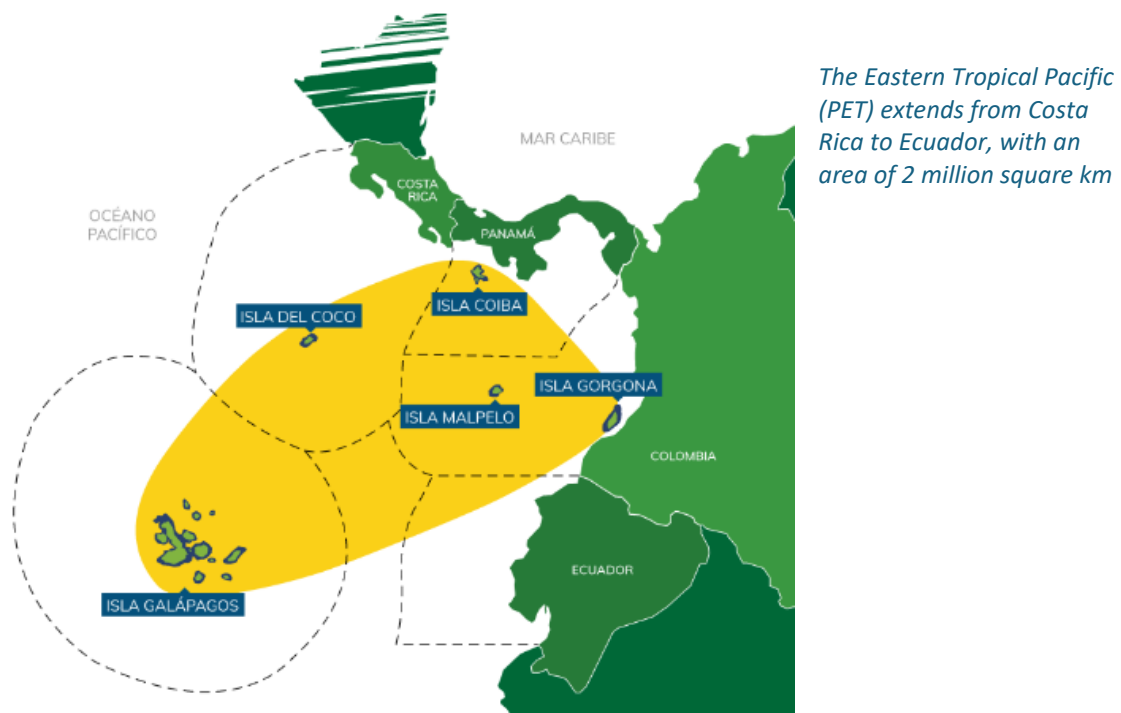
In 2004, Ecuador, Costa Rica, Colombia, and Panama launched the Marine Corridor of the Eastern Tropical Pacific (CMAR) initiative⁴ which linked five existing Marine Protected Areas (MPA), four of which became UNESCO World Heritage Sites. This initiative aimed to enhance protection efforts of the Eastern Tropical Pacific (ETP) region's biodiversity through intergovernmental ecosystem-based management with the support of regional partners and non-profit organisations, including Conservation International. In 2022, the four governments agreed with Conservation International to form a new partnership to protect the Central Eastern Tropical Pacific, a region-wide corridor for marine life that is also made up of multiple separate MPA from the respective countries.⁵

² <https://2009-2017.state.gov/t/isn/trty/32859.htm>

³ https://www.prensa.com/impresa/panorama/CSJ-acuerdo-Salas-Becker-menoscaba-soberania_0_5217978227.html

⁴ <https://www.cmarpacifico.org/>

⁵ <https://www.conservation.org/press-releases/2023/06/26/the-eastern-tropical-pacific-marine-corridor-cmar-and-conservation-international-are-granted-16-million-in-gef-funding-for-protection-and-management>



A major development occurred in 2010, when the EU IUU Regulation entered into force. Targeting so-called “illegal, unreported and unregulated” (hence IUU) fishing, this applied to all landings and transshipments of EU and third-country fishing vessels in EU ports, and all trade of marine fishery products to and from the EU. It aimed to ensure that no illegally caught fisheries products end up on the EU market. It required countries to certify the origin and legality of the fish caught by vessels flying their flag, thereby ensuring the full traceability of all marine fishery products traded from and into the EU. The idea was that this would lead countries to comply with their own conservation and management rules as well as with internationally agreed rules. In addition to the certification scheme, the Regulation introduced an EU alert system to share information between custom authorities about suspected cases of illegal practices.⁶

From November 2012, the European Commission undertook what it described as a formal dialogue with several countries which were warned of the need to take strong action to fight IUU fishing. Using descriptions borrowed from football, those countries receiving a warning that their fishing activities might not meet the required standards

⁶ [http://europa.eu/rapid/press-release MEMO-15-5738 en.htm](http://europa.eu/rapid/press-release_MEMO-15-5738_en.htm)

would be given a “yellow card”. Failure to remedy shortcomings could then result in a “red card”, meaning a ban on the export to the EU of fishery products, and the use of EU ports by their fishing vessels.

One of these countries selected for this dialogue was Panama. By October 2014, sufficient progress had been made for the dialogue to end, and the yellow card withdrawn. However, in December 2019, Panama had the misfortune to become the first country to have a withdrawn yellow card warning reinstated.

A 2014 study had estimated that almost 40% of the total fishing catch of Panama in the years 1950 to 2010 was not accounted for.⁷ Whilst there could be other reasons for the shortfall, illegal fishing by foreign vessels and the bycatch⁸ by legal vessels were two of the reasons suggested for the discrepancy.

Having a large, international shipping register also provided risks for Panama. Vessels that never saw Panama could be engaged in illegal activities (not only IUU fishing) unbeknownst to the Panamanian authorities. For example, in July 2019, a news release from INTERPOL advised that a Panama-flag vessel, although registered as a general cargo vessel, had been detained in Indonesia on suspicion of IUU fishing. The MV *Nika* was not authorised for fishing, but was owned by the same company as a blacklisted vessel known to be involved in illegal fishing and which had been intercepted in Indonesia in 2018. The *Nika*⁹ itself had previously been impounded in Russia for illegal crab fishing. In this case, Panama had asked for INTERPOL’s support in locating the vessel and, when it appeared to be heading toward Indonesian waters, Panama had alerted the Indonesian authorities.¹⁰

⁷ <https://insider.si.edu/2014/07/scientists-say-panama-fish-catch-vastly-reported>

⁸ The term refers to discarded species of fish (or, indeed, marine mammals or turtles) caught accidentally when fishing for target species. I used the word “accidentally” advisedly, as without concern for what was taking place might be a better term in many or most cases, I would suggest.

⁹ Since 2006, it had both changed its name seven times, as well as switching its flag seven times.

¹⁰ The NGO Global Fishing Watch were also involved, see – <https://globalfishingwatch.org/success-story/catching-illegal-fishers-the-demise-of-mv-nika/>
<https://www.interpol.int/News-and-Events/News/2019/INTERPOL-supports-apprehension-of-vessel-suspected-of-illegal-fishing>

Panama had announced in November 2018 that it was to make the location of fishing vessels in its waters publicly available via the open-access Global Fishing Watch.¹¹ This organisation provides a mapping platform that allows anyone to view or download data and investigate fishing activity in near real-time, for free. It tracks the location and activity of commercial fishing vessels using tracking signals from a vessel's AIS or VMS systems.¹² Panama had already been one of four Latin American states that had signed an MoU with Global Fishing Watch and the environmental foundation PACIFICO¹³ (a non-profit environmental co-ordination platform made up of four environmental funds, including the *Fundación Natura* in Panama)¹⁴ to develop a joint strategy to improve transparency in fisheries management at the regional level.

In January 2019, a report from the Poseidon Aquatic Resource Management Limited (a fisheries consultancy based in the UK)¹⁵ and the Global Initiative Against Transnational Organized Crime¹⁶ – The Illegal, Unreported and Unregulated Fishing Index¹⁷ - included Panama amongst countries operating distant-water fishing fleets that had poor scores for both flag/prevalence and flag/response indicators for IUU, and which could be considered as particularly problematic. An indication of the progress made by Panama may be seen in the fact that in the subsequent editions of the Index, released every two years, it does not appear in the “worst performing countries” lists – although it continues to score highly for “vulnerability” (but also has a high score for “response”).¹⁸

In December 2019, the European Commission reissued a “yellow card” to Panama, warning that it was still not doing enough to fight IUU fishing. This, it was said, should be seen as a warning that the EU was considering further action, which could result in

¹¹ <https://globalfishingwatch.org/>

¹² The Automatic Identification System (AIS) information is publicly available; the Vessel Monitoring System (VMS) is proprietary to individual countries.

¹³ <https://redpacifico.net/en/home>

¹⁴ A non-profit environmental co-ordination platform made up of four environmental funds, including the Fundación Natura in Panama: <https://redpacifico.net/en/home>

¹⁵ <https://consult-poseidon.com/>

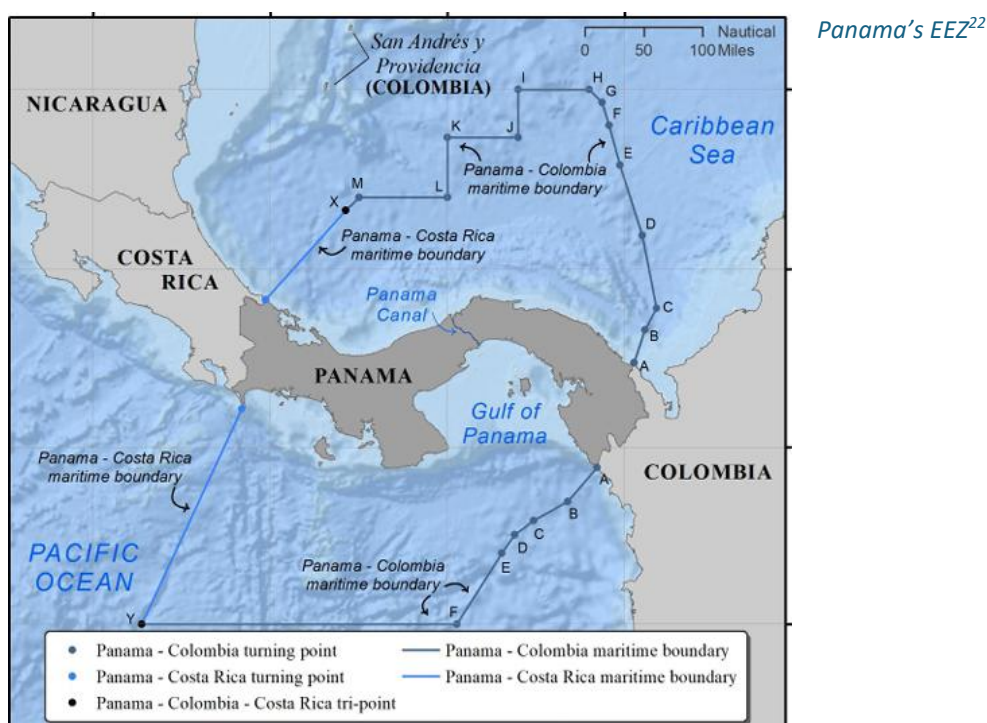
¹⁶ <https://globalinitiative.net/>

¹⁷ <https://globalinitiative.net/wp-content/uploads/2019/02/IUU-Fishing-Index-Report-web-version.pdf>

¹⁸ <https://www.iuufishingindex.net/downloads/IUU-Report-2023.pdf>

a ban of Panamanian seafood products from entering the EU market. The new warning was said to be the result of “*significant backtracking*” in Panama’s efforts to “*ensure adequate control over the activities of its vessels to prevent and deter them from engaging or supporting IUU fishing*”.¹⁹

In November 2021, the Panama Aquatic Resources Authority (ARAP)²⁰ demonstrated to a US Coast Guard commander a new fleet monitoring and control systems, as well as explaining the short- and medium-term plans that the ARAP had for an effective monitoring of fishing vessels of its national flag and those of foreign flag that enter Panama’s Exclusive Economic Zone (EEZ).²¹



Another event in 2021 was Operation *Southern Shield*. This involved the USCG in joint patrols in maritime waters of the Exclusive Economic Zones of Costa Rica, Panama, Colombia and Ecuador to combat IUU fishing in the Eastern Tropical Pacific Marine Corridor.

¹⁹ <https://www.seafoodsource.com/news/environment-sustainability/eu-reissues-yellow-card-to-panama>

²⁰ <https://arap.gob.pa/>

²¹ *La Zona Económica Especial (ZEE).*

<https://www.critica.com.pa/nacional/panama-y-estados-unidos-coordinan-acciones-para-disminuir-pesca-ilegal-616254>

²² <https://www.state.gov/wp-content/uploads/2022/09/LIS151-Panama.pdf>

At the end of 2021, the EU's Directorate-General for Maritime affairs and Fisheries (DG Mare) took part in a follow-up mission in Panama. This took place from 29 November to 3 December, as part of the dialogue with ARAP to see progress made in the fight against IUU fishing.²³

There were also moves to regulate sports fishing as well as commercial fishing. In February 2022, a cooperation agreement was signed between the Tourism Authority of Panama (ATP) and ARAP to develop a plan to regulate sport fishing, as well as to promote this sector for the benefit of Panama, and to promote sustainable and responsible fishing, which could attract tourism. The plan was said to be that, within 12 months, the two bodies would have a proposal, with consultation with sport and artisanal fishermen, to develop a pilot plan to promote sport fishing in the country.²⁴

However, it was September 2024 before ARAP announced discussions on regulations to regulate sport and artisanal fishing, and thus implement Executive Decree 13 that had come into force in February 2024.²⁵ It was said that the outgoing Cortizo administration did not have time to draft the regulations before the upcoming elections.²⁶

In February 2022, a newly formed commission was announced.²⁷ This was made up of ARAP, the Maritime Authority of Panama (AMP), the Ministries of Agricultural Development, Environment, and Public Security, the National Customs Authority, the National Migration Service, the National Aeronaval Service, and the Ministry of Foreign Affairs. ARAP said that the aims included new processes and protocols, as well as the

²³ <https://www.prensa.com/impresia/economia/panama-refuerza-acciones-en-lucha-contra-pesca-ilegal/>

²⁴ <https://arap.gob.pa/firman-convenio-entre-atp-y-arap-sobre-la-pesca-deportiva-en-panama/>

²⁵ The Decree establishes different regulations for trawling and the commercialisation of snapper, bighead, sole, croaker and cushion.

²⁶ <https://www.laestrella.com.pa/economia/arap-buscara-reglamentar-la-pesca-deportiva-y-artesanal-IE8464578>

²⁷ The Inter-institutional Commission to Prevent, Deter and Eliminate Unreported and Unregulated Illegal Fishing.

reinforcement of monitoring and surveillance of fishing vessels and the use of digital platforms to fight against illegal fishing.²⁸

Still there came bad news. In June 2022, Bloomberg Línea published the results of an investigation carried out with the NGO Mongabay Latam. These had investigated fishing-related infractions by Panamanian-flagged vessels. It was said that Panama had the largest number of vessels in the world that were subject to sanctions, 32, of which 28 were refrigerated vessels of mainly Chinese companies with negative antecedents - and half of which did not sail in the waters of a region near Panama.²⁹ The report said that there were numerous cases of vessels accused of illegal fishing and flying the Panama flag. It was also said that, despite difficulties in accessing the necessary information, it had been established that ships flying the Panama flag were linked to one of the companies with the worst criminal record in fisheries matters in the world.

One might make two observations. Firstly, with one of the largest flag fleets in the world it might not be surprise that a percentage, however small, were involved in nefarious or dubious activities. Secondly, the report referred to vessels receiving sanction. Was this because Panama acted, or reacted, more or more quickly than other states, or that other states failed or declined to act – and was it therefore being criticised because its actions had given its critics ammunition against it?

In any event, the investigation report criticised the two bodies in Panama responsible for matters connected to IUU fishing - AMP (which operated the shipping register) and ARAP (which grants fisheries licences and regulates the activity of Panama vessels, both inside and outside Panamanian waters). It was said that AMP refused to provide details of vessels sanctioned in the previous 10 years,³⁰ although ARAP did. Using this information from ARAP, the investigation found that 28 of the 32 vessels listed were

²⁸ <https://www.prensa.com/impresa/economia/panama-refuerza-acciones-en-lucha-contr-pesca-ilegal/>

²⁹ <https://www.bloomberglinea.com/2022/06/13/a-fondo-panama-una-bandera-de-conveniencia-para-la-pesca-ilegal-y-el-descontrol-en-altamar/>

³⁰ AMP said that the information was restricted, in accordance with Article 14, Section 2 of the 2002 Transparency Law. However, others argued that the Law was not intended for restricting access to information in the way.

“reefers” (refrigerated storage vessels), not fishing boats, and all were owned by non-Panamanian companies – mainly Chinese. The use of reefers as mother ships allowing continued fishing away from home ports is considered by the UN Food and Agriculture Organisation (FAO) one of the most used strategies in IUU fishing. During the period 2019-21, 13 Panamanian-registered reefers were found to have made undeclared transshipments from other vessels. Seven other vessels, including four reefers, had been sanctioned for illegal activities (including shark finning, banned by Panama in 2006).

Such “reefers”, large refrigerated cargo vessels, receive tons of fish and often process and package it onboard, making it easy to mix illegal catch with legal fish. They are used by China's distant water fishing fleet, and this system – called transshipment (which is not unlawful in itself) – allows vessels actually carrying out the fishing to stay out to sea for months and even years. It was also said that fleets that depend on transshipments also have some of the worst labour abuses.³¹

On the other hand, the US National Oceanic and Atmospheric Administration (NOAA) and the State Department congratulated ARAP in June 2022 for complying with the correct use of Turtle Excluding Devices (DET) on the country's shrimp boats. This followed a verification visit by US officials.^{32, 33}

³¹ In July 2022, an article in Insight Crime claimed that in a large Chinese fishing fleet off the Galapagos Islands, 52 vessels flew the Panama flag, the most of any Latin American country, and eight of those have been suspected of involvement in IUU fishing.

OFAC in the US had designated a large number of vessels, and Chinese companies, over alleged human rights abuse aboard distant water vessels, which could also be involved in IUU fishing. In June 2022, President Biden issued a Memorandum focussed on IUU fishing and associated labour abuses.

<https://insightcrime.org/investigations/panama-lending-flag-most-destructive-fishing-ships-iuu/>

On a personal note I might say that I have been involved in a search of such a vessel in the past and the thought of being aboard for any length of time is not one I would have considered desirable, or feasible (its condition may be judged by the fact that one of the others in the fleet sank in a storm only a few days later).

³² <https://www.laestrella.com.pa/economia/220623/noaa-confirma-cumplimiento-panama-det-s-embarcaciones-camaroneras>

³³ <http://elsiglo.com.pa/panama/noaa-confirma-cumplimiento-panama-dets-embarcaciones-camaroneras/24203919>

In 2022, a team from the EU arrived to carry out an audit of controls and changes implemented, to help decide if the “yellow card” should once more be rescinded. In October, the interdepartmental commission held a meeting at the Presidency to publicise the progress of an action plan that followed observations made by the EU in the audit. Among the points highlighted by the authorities was the need to hire of personnel to deal with illegal fishing issues and the improvement of monitoring technologies.³⁴

Also in October 2022, ARAP fined a Chinese reefer, the *Yong Hang 3* (YH3), for violating international fishing regulations and those of Panama, specifically illegal fishing while being ostensibly a cargo transport vessel. The fine was \$300,000 and its licence had been suspended in August, after it was boarded by the USCG. At the time of the fine being imposed the ship was in China^{35, 36}

In November 2022, *Panama America* reported on the work of fisheries control and monitoring centre created by ARAP. This, it was said, used a satellite tool that allowed monitoring more than 500 vessels that undertook fishing activity in Panamanian waters, intended to protect sensitive areas against illegal fishing, especially in areas declared as protected and exclusive economic areas. The vessels was said to include what were described as some 280 fishing fleet vessels and 232 domestic fishing vessels.³⁷

In December 2022, a National Commission for Responsible Fisheries (*La Comisión Nacional de Pesca Responsable*) was established. It was to have the responsibility to recommend initiatives to achieve sustainable development of the fisheries sector, as well as the policies and measures that are necessary, in order to regulate fishing

³⁴ <https://www.laestrella.com.pa/nacional/221014/panama-muestra-avances-observaciones-hechas-ue-pesca-ilegal>

³⁵ <https://www.panamaamerica.com.pa/sociedad/sancionan-con-multa-de-300-mil-dolares-buque-chino-con-bandera-panamena-1212821>

³⁶ <https://www.anpanama.com/12887-Panama-multa-a-embarcacion-china-con-US300-mil-por-pesca-ilegal.note.aspx>

³⁷ <https://www.panamaamerica.com.pa/nacion/panama-combate-pesca-ilegal-con-moderno-centro-de-monitoreo-1214306>

activity in Panama's jurisdictional waters. It was composed of eight representatives (and their alternates) from the various authorities, associations, universities, and NGO.³⁸ It would receive the draft of new regulations in February that were intended to regulate fishing, aquaculture and related activities, manage fishing activities, and ensure environmentally friendly practices to preserve marine resources - to be in accordance with international standards of traceability and transparency, and to reaffirm the country's commitment to the fight against IUU fishing.³⁹

Executive Decree No 15 of 19 December 2022 created the *El Centro para Monitoreo Marino*⁴⁰ as a coordination centre for the monitoring, preservation and protection of the marine and coastal ecosystem. Involved were the Ministries of Environment (MiAMBIENTE), and Public Security (MINSEG), as well as ARAP and AMP. It was to have an Executive Secretariat, represented by the MINSEG (through the National Aeronaval Service) and an Administrative Unit (at MiAMBIENTE). It was to have 14 functions, including coordinating, planning, establishing and operating at the inter-agency level national monitoring, control and surveillance activities aimed at preventing, deterring and eliminating IUU fishing, as well as the prevention of pollution of marine and coastal ecosystems.⁴¹

In March 2023, the USCG praised the decision of Panama to cancel the licences of 34 vessels linked to IUU fishing. This followed a meeting with the Ministry of Agricultural Development (MIDA) and ARAP. The meeting also discussed one vessel which had prevented an inspection by the USCG – that vessel being fined by ARAP, its licence cancelled and the vessel deregistered, with the captain also being fined \$25,000.⁴²

³⁸ <http://elsiglo.com.pa/panama/instalan-comision-nacional-pesca-responsable/24215292>

³⁹ <http://elsiglo.com.pa/panama/entregan-reglamentacion-pesca-comision-nacional-pesca-responsable/24219670>

⁴⁰ The Centre for Marine Monitoring.

⁴¹ <https://www.anpanama.com/13447-Panama-crea-Centro-Interinstitucional-para-Monitoreo-sobre-pesca-ilegal-preservacion-y-proteccion-de-su-ecosistema-marino.note.aspx>

⁴² <https://www.anpanama.com/13818-Reconocen-lucha-de-Panama-contr-la-Pesca-Ilegal-no-Declarada-y-no-Reglamentada.note.aspx>

In June 2023, it was reported that AMP had cancelled *ex officio* 182 vessels which had not had a valid fishing licence or because they had an expired navigation licence, which in both cases could indicate illegal fishing.⁴³ Another 97 vessels were then in the process of having their registries cancelled for similar reasons.⁴⁴

On 14 December 2023, ARAP issued a Technical Notice on the prohibition of entry to Panamanian ports of vessels and fishing-related activities of countries with a Red Card issued by the EU.⁴⁵ The ban took effect on 1 January 2024.⁴⁶

In 2024, ARAP renewed its partnership with Global Fishing Watch.⁴⁷ Panama was also included in the five-year strategy from the US, the North American Program against Illegal, Unreported and Unregulated Fishing (IUU-2022-2026). Through cooperation and coordination, this was intended to combat IUU fishing and related threats to maritime security in priority regions and priority flag states, as well as ensuring only legal, sustainable, and responsibly harvested seafood enters trade.⁴⁸

In September 2024, ARAP announced that the EU would undertake the third audit of the country in the second quarter of 2025 (postponed from October 2024). Since reinstatement of its “yellow card” in 2019 there had been two previous audits, in 2020 and 2022, with nothing to justify lifting the yellow card sanction. An unsuccessful third audit had the potential of a “red card” resulting – and the potential damage to Panama of such was then said to be more than \$300 million.⁴⁹

⁴³ <https://www.laestrella.com.pa/economia/230626/lista-gris-mou-paris-golpe>

⁴⁴ <https://maritime-executive.com/article/panama-s-registry-cleans-up-fleet-for-international-compliance>

⁴⁵ Re ADM/ARAP Resolution No. 033 of June 20, 2023, which establishes the requirements that National flag fishing vessels and vessels related to fishing.

⁴⁶ https://arap.gob.pa/wp-content/uploads/2023/12/072-2023_EN-Prohibition-of-entry-to-ports-of-countries-with-a-Red-Fishing-Card-of-the-European-Union.pdf

⁴⁷ <https://www.newsroompanama.com/news/panama-combats-illegal-fishing>

⁴⁸ <https://www.fisheries.noaa.gov/media-release/new-us-strategy-combating-illegal-unreported-and-unregulated-fishing>
<https://leap.unep.org/en/countries/us/national-legislation/national-5-year-strategy-combating-illegal-unreported-and>

⁴⁹ <https://www.laestrella.com.pa/economia/ue-auditara-en-2025-los-controles-que-hace-panama-sobre-pesca-ilegal-FC8444236>

During 2024, ARAP announced an “observers on board” program, saying that on-board observers would allow real-time monitoring of transshipment activities, to verify that fishery products comply with sustainability standards and legal measures required by international markets.⁵⁰ It was said that the development aligned Panama's policies with the sustainability requirements of such end-customers as Walmart, Sam's Club and Starkist, which underscore the importance of on-board observer programs as an essential control measure for the traceability of seafood products. Walmart and Sam's Club had announced that, starting in 2027 all their tuna suppliers must have 100% monitoring of observers on board, through electronic technology or by using human observers – and this requirement also applied to transshipments.⁵¹

In September 2024, ARAP announced another new commission.⁵² Comprising 10 members, its role was to ensure and guarantee compliance with the obligations and commitments set out by the European Commission's DGMARE. It was to be responsible for the correct and timely exchange of information and compliance with the different obligations, as well as promoting, drawing up and following up on action plans. It was to coordinate and advise on the issues that have been the subject of analysis during the dialogues with DGMARE, such as the legal framework, fleet management and cooperation with third countries, monitoring, surveillance and control, catch and traceability certificates and the application of the law.⁵³

In October 2024, the US Congressional Research Service issued a comprehensive 39-page briefing on IUU fishing. Among other things, this noted that the US Interagency Working Group (IWG) on IUU Fishing had identified five priority flag states and

⁵⁰ The requirement observer is established in Law 204 of 2021, and Decree November 13, 2023, which regulates the fisheries law, modified by means of Executive Decree No. 14 of November 20, 2023 of the Ministry of Agricultural Development (MIDA)

⁵¹ Official Gazette No.29913-B.

<https://www.laestrella.com.pa/economia/panama-refuerza-control-y-trazabilidad-de-la-pesca-comercial-con-los-observadores-de-buques-YD8656188>

<https://www.laestrella.com.pa/economia/panama-implementa-los-observadores-en-los-buques-para-el-control-pesquero-en-alta-mar-KC8646851>

⁵² Including representatives of the Fisheries Control and Monitoring Center and the surveillance and control department of the General Directorate of Inspection, Surveillance and Control.

⁵³ <https://www.laestrella.com.pa/economia/panama-crea-comision-para-garantizar-cumplimiento-de-normas-contra-la-pesca-ilegal-de-la-comision-europea-MH8696970>

authorities to work with: Ecuador, Panama, Senegal, Taiwan, and Vietnam. However, it also noted the bilateral “shiprider” agreement with Panama – explaining that such agreements allow US maritime law enforcement officers to be embarked on US warships and other vessels (and/or aircraft). The presence of a shiprider on board a US vessel allows that vessel to enforce the laws and regulations of the partner nation, including the observation and investigation (i.e., board and search) of suspect vessels, within the partner nation’s designated territorial sea or EEZ.⁵⁴

In October 2024, ARAP asked for a budget of \$3.5 million to meet EU requirements,⁵⁵ in order to avoid a Red Card. It was reported that it would not otherwise have the budget to do so. It was subsequently reported that the Cabinet had approved a little more than \$4 million, to take action before the EU audit.⁵⁶

In early 2025, an EU Ambassador visited the ARAP facilities and received updates on developments to combat IUU fishing, including the “observer on board” scheme introduced in October 2024. There had also been a significant reduction in the number of authorised ports for loading/unloading fish, and the launch of the ARAP MÓVIL reporting app, which had the purpose of interconnecting all citizens with the ARAP, and be able to submit complaints of illegal fishing.⁵⁷ The visit included a tour of the Fisheries Monitoring Center, where Panamanian vessels operating in international waters were monitored 24 hours a day.⁵⁸

⁵⁴ <https://crsreports.congress.gov/product/pdf/R/R48215>

⁵⁵ Which identified five weaknesses in the fight against IUU fishing, the \$3.5 million was to address three of the five. ARAP had asked for \$19 million, but was allocated \$15.5 million, with only \$11.8 million remaining for operation, with nothing to invest.

⁵⁶ https://www.laestrella.com.pa/economia/la-arap-logra-40-millones-para-cumplir-con-la-ue-y-obtener-la-tarjeta-verde-JC9037658#goog_rewarded

⁵⁷ <https://elsiglo.com.pa/panama/nacionales/union-europea-reconoce-la-lucha-de-panama-contr-la-pesca-ilegal-EA10675515>

⁵⁸ <https://www.prensa.com/economia/embajadora-de-la-union-europea-sostiene-reunion-con-autoridades-panamenas-para-conocer-plan-contr-la-pesca-ilegal/>
<https://www.laestrella.com.pa/economia/panama-afina-estrategia-en-su-lucha-contr-la-pesca-ilegal-y-conseguir-la-tarjeta-verde-GD10752150>

THE 5 EU REQUIREMENTS

1. Legal framework

Panama must establish, through administrative resolutions of the ARAP, regulations for the transshipment of goods, the departure of vessels and procedures inherent to loading and unloading in ports.

2. Control of the national and international fleet

ARAP determined the need for some 100 authorised ports, allowing it to optimise controls and exchange of information between the governing authorities of ports and fisheries, as well as greater control and monitoring of the loading, unloading and transshipment operation.

3. Traceability

One of the fundamental elements in the fight against IUU fishing promoted by DG-MARE, Panama wants to ensure that seafood products comply with all existing regulations.

4. Enforcement and collection of penalties

Collecting penalties was something that worried DG-MARE. The national fleet is exposed to fines ranging from \$5,000 to \$30,000; and the international fleet, from \$300,000 to \$1,000,000. These amounts were established in Law 204 of March 18, 2021, and Executive Decree 13 of November 1, 2023.

5. Control in the processing plants

ARAP needed to hire numbers of full-time inspectors, to cover the 38 processing plants of fishery products for export that operate in the national territory.⁵⁹

In January 2025, Panama reported that it had seized six longliner vessels for fishing illegally in protected waters. It also opened an investigation into an additional 10 vessels that surveillance data showed had apparently been fishing in the area. This was in the Cordillera de Coiba, a marine protected area (MPA), part of the Eastern Tropical Pacific Marine Corridor. This was said to be the largest illegal fishing action in the history of the MPA. The vessels were Panama-flagged, and the surveillance work

⁵⁹ https://www.laestrella.com.pa/economia/panama-a-pasos-de-la-tarjeta-roja-de-la-ue-arap-sin-los-recursos-para-invertir-en-2025-IX8909390#goog_rewarded

in the case was done in part through Skylight, an AI-powered fisheries intelligence platform, and was supported by a group of fisheries monitoring non-profits.⁶⁰

In March 2025, the Cabinet submitted to the National Assembly a Bill which adopts the Protocol of Amendment to the WTO Marrakesh Agreement, including restrictions on subsidies in the fisheries sector. This measure sought to guarantee the sustainability of marine resources and protect Panama's access to international markets, by avoiding potential trade sanctions. Furthermore, by prohibiting subsidies to fleets involved in illegal fishing or overexploited stocks, the country reinforces its compliance with global standards, ensuring competitiveness and economic stability in the fishing industry (and helps with the scheduled EU audit).⁶¹ On 12 June 2025, Panama formally acceded to the Agreement (though at the time it required further signatories to take effect).⁶² The Agreement received enough signatories to be able to take effect from September 2025.⁶³

In April 2025, Global Fishing Watch welcomed the announcement at a conference in South Korea that Panama was moving towards achieving ultimate beneficial ownership (UBO) transparency, and thereby ensuring increased accountability of its fleet and governance, targeting “invisible” owners; verifying vessel ownership, and reviewing UBO information as part of licence-granting procedures.⁶⁴ In July 2025, Panama announced it would target “invisible” owners of fishing vessels with a new measure that require all fishing vessels operating under its flag to identify their UBO, the true individuals behind the fishing operations.

⁶⁰ <https://news.mongabay.com/2025/03/panama-conducts-large-illegal-fishing-bust-in-protected-pacific-waters/>

⁶¹ <https://www.anpanama.com/Panama-adopta-estandares-de-la-OMC-para-la-pesca-y-proteger-el-mercado-18394.note.aspx>

The OECD says that subsidies can help boost productivity and to build resilience in the sector; but that subsidies that make it easier and cheaper to fish can drive overfishing and illegal fishing, particularly where fisheries management is weak.

https://www.oecd.org/en/publications/oecd-review-of-fisheries-2025_560cd8fc-en.html

⁶² https://www.wto.org/english/news_e/news25_e/fish_12jun25_e.htm

⁶³ <https://www.laestrella.com.pa/economia/panama-se-suma-al-acuerdo-global-de-la-omc-para-combatir-la-pesca-ilegal-HO16091600>

⁶⁴ <https://globalfishingwatch.org/statement/panama-takes-aim-at-invisible-owners-in-fight-against-illegal-fishing/>

In June 2025, it was reported that Panama was in the process of developing its National Control and Inspection Plan, which sought to strengthen the country's capacity to prevent, deter and eliminate IUU Fishing. The initiative would be led by ARAP and have the technical support of the Global Fishing Watch organisation. More effective monitoring, control and surveillance (MCV) mechanisms would be implemented, and would apply both in national waters and outside its jurisdictional waters, as well as to foreign-flagged vessels operating within the EEZ and the entire fishing value chain. from capture to marketing. It would use a risk-based approach.⁶⁵

In June 2025, Panama received a six-month extension from the EU to the deadline to complete the necessary adjustments before the final audit. This moved the scheduled EU review of Panama into early 2026, and came after a meeting at which Panama highlighted important achievements on several fronts. The three main achievements were said to be -

- **A robust legal framework:** the implementation of Law 204 of 2021, and its regulation through Decree 13, in force since January 2024;
- **Effective fleet control of fishing vessels under its flag** (at the time about 190 vessels), including coordination with AMP and reducing the number of authorised discharge ports worldwide from 249 to 92, and the On-Board Observer program implemented from January 2025; and
- **An effective sanctioning regime** - Panama presented documentary evidence of the effective application of sanctions and corrective actions to vessels and processing plants that violate regulations.

However, it was stressed that there were areas still requiring improvement – the inland fishing fleet and fish processed for export, and the need for a National Fisheries Traceability System;⁶⁶ strengthening of the National Monitoring Center with the

⁶⁵ <https://www.laestrella.com.pa/economia/panama-desarrolla-plan-nacional-contra-la-pesca-ilegal-LP13495925>

⁶⁶ \$72 million had been requested from the Ministry of Economy and Finance.

purchase of five 35-foot patrol boats; and Inspection modules, as well as stationing of personnel in artisanal ports and processing plants.⁶⁷

In August 2025, the general administrator of ARAP warned the Budget Committee of the National Assembly that the lack of budget seriously compromises the possibility of the country obtaining the long-awaited all-clear from the EU in 2026. It had requested \$17.2 million for the fiscal year 2026, but only \$11.4 million were approved, the same figure as in 2025.⁶⁸

It was explained that the increased funding would be for tracing software, for appointing 50 fisheries inspectors, who would be based within export processing plants, as well as to acquire patrol boats to supervise fishing processes in the EEZ. It was also said that Panama had 38 certified seafood processing plants, 16 of them exporting to the EU and other markets.

It was also explained that illegal fishing in Panama mainly affected protected areas and restricted areas, and the main areas with high incidences of illegal fishing were the Coiba mountain range, the area adjacent to the Coiba National Park, and the protected area of the Bahía Piña area, in Darién.⁶⁹

In 2025, ARAP also renewed its MoU with the Tuna Conservation Group Foundation (TUNACONS), which was aimed at promoting sustainable fishing of tropical tuna. The agreement strengthened public-private cooperation in priority aspects such as science-based fisheries management; monitoring and traceability of the tuna fleet, technical training and capacity building, and exchange of information for audits and compliance with regional measures.⁷⁰

⁶⁷ <https://www.laestrella.com.pa/economia/panama-se-prepara-para-la-tarjeta-verde-pesquera-con-prorroga-de-la-ue-NL13909073>

⁶⁸ <https://www.prensa.com/economia/pesca-ilegal-y-falta-de-fondos-podria-panama-perder-el-acceso-al-mercado-europeo/>

⁶⁹ <https://www.laestrella.com.pa/economia/panama-debera-esperar-hasta-2026-para-eliminar-la-tarjeta-amarilla-de-la-ue-EF15673755>

⁷⁰ <https://www.prensa.com/economia/panama-y-la-fundacion-tunacons-firman-acuerdo-para-fortalecer-la-sostenibilidad-de-la-pesca-de-atun/>

In September 2025, the new Panama coordination centre opened, the Coordination Center for the Monitoring, Preservation and Protection of the Marine and Coastal Ecosystem⁷¹ the first inter-institutional centre in the Eastern Tropical Pacific Marine Corridor (CMAR) region. It was to target illegal fishing, marine pollution and biodiversity loss with state-of-the-art technology.⁷²

Panama, along with Guatemala, Honduras, Nicaragua and the Dominican Republic, also signed a joint declaration in September 2025 as part of a regional commitment to sustainable development and the protection of natural resources. Since 2023, Panama was said to have protected 54.33% of its marine waters, beyond the standard target of 30% established by the UN's 30X30 Initiative, after expanding the Banco Volcán marine reserve in the Caribbean from the 14,212 km² with which it was created in 2015 to more than 93,000 km².⁷³

Even while it strives to meet acceptable standards for fishing in others' waters, there continued to be problems closer to home. In November 2025, Panama closed for one year the island Escudo de Veraguas – in the Caribbean and known as the "Panamanian Galapagos" for its unique biodiversity - due to "uncontrolled tourism" and other activities, including illegal fishing. The fishing here was said to include commercial lobster fishing, even though this was prohibited and the site supposedly protected, and killing octopus and other marine life with chlorine for later sale, an action that posed a risk to public health.⁷⁴

⁷¹ *El Centro de Coordinación para el Monitoreo, Preservación y Protección del Ecosistema Marino y Costero.*

⁷² <https://www.telemetro.com/nacionales/panama-inaugura-primer-centro-monitoreo-proteger-ecosistema-marino-n6053876>

⁷³ <https://www.laestrella.com.pa/economia/panama-se-suma-al-acuerdo-global-de-la-omc-para-combatir-la-pesca-ilegal-HO16091600>

⁷⁴ <https://www.laestrella.com.pa/economia/miambiente-turismo-descontrolado-y-pesca-ilegal-fuerzan-cierre-de-la-isla-escudo-de-veraguas-DB17520407>

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