



The trade in humphead wrasse into and through Hong Kong¹

Joyce Wu² and Yvonne Sadovy de Mitcheson³

The humphead wrasse, *Cheilinus undulatus*, is a naturally rare coral reef fish. Its biological characteristics – being hermaphroditic, long-lived and slow to mature – combined with its high market value make it vulnerable to overfishing and mean that population recovery is difficult to achieve without effective management. Because the species is mainly threatened by the international live reef food fish (LRFF) trade (CITES 2006), control of this trade is essential for its sustainable use.

The humphead wrasse is predominantly traded live as food for the LRFF trade, along with other groupers and wrasses, particularly from Indonesia, Malaysia and the Philippines but also from other range countries of the species, with the main destination being Hong Kong Special Administrative Region (SAR, hereafter simply “Hong Kong”) and the People’s Republic of China (hereafter “mainland China”).

The humphead wrasse was classified as “Endangered” in 2004 according to the criteria and categories of the International Union for Conservation of Nature Red List, and has been listed in Appendix II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) since January 2005. Indonesia has only permitted the export of live humphead wrasse, although the export quota has decreased from 8,000 tails (=animals) in 2006 to 2,000 tails from 2012 onwards.

At the completion of the Fifteenth Meeting of the Conference of the Parties (CoP15) to CITES in early 2010, CITES Decisions 15.86–15.88 urged all Parties to consider stricter domestic measures for regulating the humphead wrasse trade, including limiting international trade to shipments by air only; improving monitoring through inspection of boxes of mixed live reef fish; increasing the exchange of law enforcement information; and

increasing the awareness and identification capacity of law enforcers.

Hong Kong requires CITES export permits for legal humphead wrasse imports; import permits and/or licences are also required for live specimens. Mainland China requires CITES export and import permits for humphead wrasse for any type of specimen. Possession or sales licences are required for commercial sale, regardless of whether the specimen is a live fish, a chilled (i.e. non-live) fish, or parts thereof. Both import and domestic sale regulations in mainland China and Hong Kong are compliant with CITES requirements for Appendix II species trade regulation, and due to the requirement for import permits (except for non-live fish for personal use) the domestic measures are stricter than those required by CITES.

According to trade data from the World Conservation Monitoring Centre of the United Nations Environment Programme (UNEP-WCMC) and CITES, humphead wrasse were traded in the following specimen type categories: live and as bodies, meat, and derivatives. In terms of quantity and frequency, live humphead wrasse were the most frequently traded specimen, at least 64,826 tails were traded between 2006 and 2013. The global reported trade volume peaked between 2007 and 2009, but has significantly decreased since 2010. The trade volume dropped to around 550 tails of live (the major form of import) in 2013. According to these data, the actual export quantities never reached the export quotas set by Indonesia. Indonesia, Malaysia and Papua New Guinea were the main exporters of humphead wrasse between 2005 and 2013, and Hong Kong was the largest importer. Hong Kong did not implement the CITES measures for humphead wrasse until 2006, yet Hong Kong Customs data for 2005 reports imports of live humphead wrasse from the Philippines and

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² TRAFFIC East and South Asia.

³ University of Hong Kong and IUCN Groupers and Wrasse Specialist Group. Email: yjsadovy@hku.hk. For more information, please see: https://www.iucn.org/about/work/programmes/species/who_we_are/ssc_specialist_groups_and_red_list_authorities_directory/fishes/groupers_wrasses_sg/

Singapore, which do not appear in those countries' export records. The conclusion is that any live humphead wrasse exported from Singapore and the Philippines to Hong Kong in 2005 must have taken place in violation of CITES regulations that were in force at the time.

Mainland China has not reported any import of humphead wrasse following the CITES listing since 2005, however Malaysia reported the export of 700 live humphead wrasse to mainland China in 2007. It is possible that the discrepancy may be a result of reporting based on the number of permits issued rather than the actual trade taking place. Both mainland China and Hong Kong did not report to UNEP-WCMC any humphead wrasse trade after 2005. Hong Kong Customs data also do not show any humphead wrasse re-exported to mainland China after 2005.

During this study, the authors found live humphead wrasse for sale in physical and e-commerce seafood markets in mainland China. Although only one live humphead wrasse was observed in a seafood restaurant during two surveys in Shenzhen, mainland China, 12 advertisements offering live or frozen humphead wrasse for sale were found on two Chinese language e-commerce websites. Three more advertisements offering live and frozen humphead wrasse from Indonesia and the Philippines were

also found on a China-based English language website. In early 2013, around 300 live humphead wrasse were found in Beijing, Shanghai, Fujian, Guangdong and Hainan, according to a snapshot market survey (Liu 2013). Traders from many of the observed markets claimed that live humphead wrasse arrived regularly. It seems that live humphead wrasse were available on the physical and/or e-commerce markets in mainland China, even though legal CITES imports were never approved. Taking the low levels of humphead wrasse availability in the South China Sea into account, this raises questions about the legality of these humphead wrasse.

Seventy-three live humphead wrasse were observed by the authors in holding aquariums in 17 restaurants and stores in three retail markets in Hong Kong in April 2015. Although possession licences are required for anyone who holds humphead wrasse for commercial purposes, licence holders are only required to record their sales within three days of business transactions but do not have to report these records to the Agriculture, Fisheries and Conservation Department (AFCD), the CITES Management Authority in Hong Kong. Monthly market surveys by Hong Kong University found 1,197 live humphead wrasse available from three main retail seafood markets in Hong Kong from November 2014 to December 2015. In total, 157 live

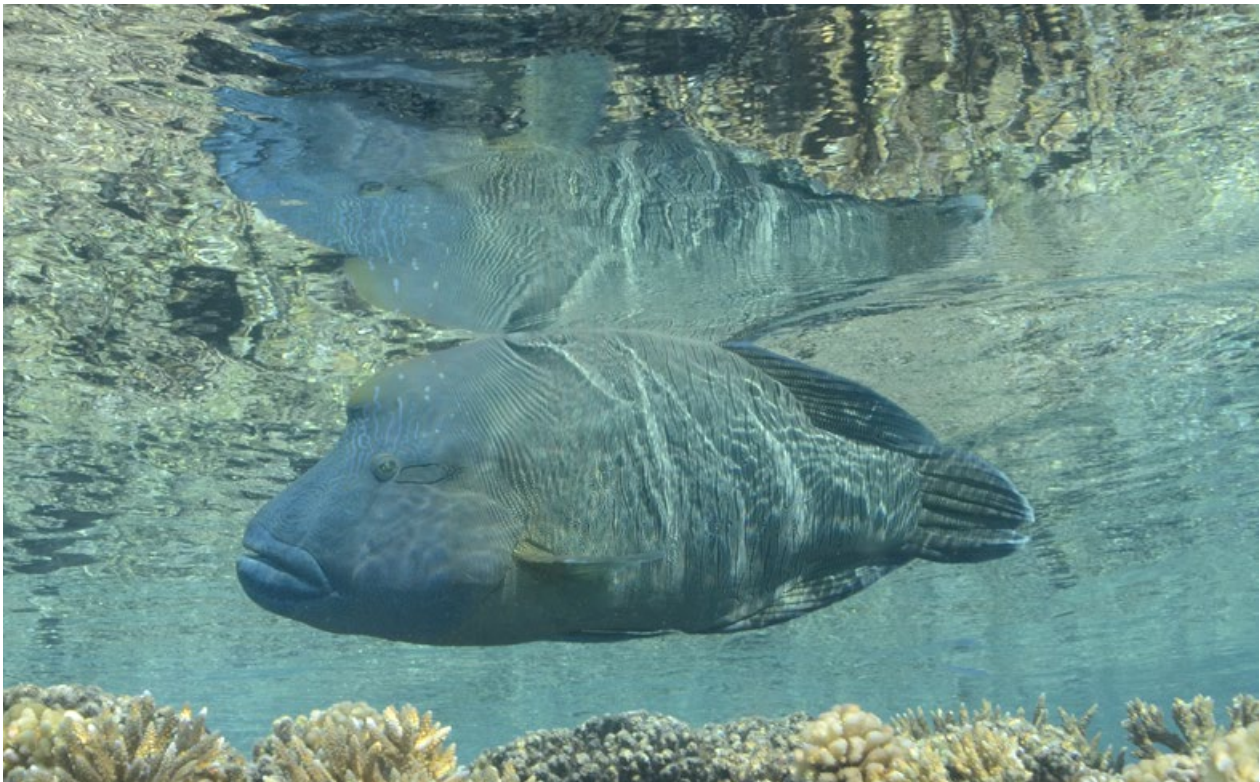


Figure 1. A humphead wrasse (*Cheilinus undulatus*) in an unfished pass in French Polynesia (photo: Yvonne Sadovy de Mitcheson).

humphead wrasse were observed in November and December 2014. According to the AFCD, only 150 tails of live humphead wrasse were imported into Hong Kong in 2014, which indicates at least 7 live humphead wrasse were illegally imported in 2014. Such illegal trade is presumably fuelled by demand, and perhaps persists because of insufficient patrolling and enforcement of existing trade regulations.

The authors observed no transport of humphead wrasse from Hong Kong to the nearest market, Shenzhen, in mainland China. However, other live fish and LRFF were observed in speedboats heading to Shenzhen, probably originating from Crooked Island in Hong Kong. Traders in Hong Kong and mainland China also claimed that LRFF tend to be re-exported to mainland China illegally to avoid high import tariffs, value added tax, and stricter import requirements. By avoiding the waiting time to obtain official documents, the risk of humphead wrasse mortality is also reduced.

In the past five years, only one instance of illegal trade in live humphead wrasse has been detected and enforced in Hong Kong. In 2010, a shipment of 53 live humphead wrasse from Indonesia was found with a valid export permit for only 50 fish (AFCD email communication to Joyce Wu, May 2015). Three fish were seized and the remainder was allowed to be imported. In December 2007, the Quarantine Bureau in Guangzhou Baiyun airport seized ten boxes of unauthorized humphead wrasse, which were smuggled in among 40 boxes of legitimate LRFF from Malaysia (Huang 2007). The 10 boxes of humphead wrasse were confiscated and destroyed, and the company fined CNY 1,000⁴. This case indicated that humphead wrasse were traded alongside other LRFF and also revealed that at least some humphead wrasse and other LRFF had been imported to mainland China without transit through Hong Kong.

The above findings indicate that more work needs to be done to improve the legality of humphead wrasse trade, both into and through Hong Kong, and compliance with CITES requirements, such as increasing the number of import inspections of mixed boxes of species containing LRFFs, domestic market monitoring, information exchange with source countries, raising the awareness and capacity of law enforcers and, importantly, recording imports into mainland China and enforcing the law regarding re-exports from Hong Kong.

The following recommendations are made to humphead wrasse stakeholders in Hong Kong and mainland China.



Figure 2. Frozen humphead wrasse on sale in a Malaysia supermarket in 2014 (photo: Allen To).

For humphead wrasse from source countries:

- The responsible authorities in Hong Kong and mainland China should increase awareness of all regulations and species identification issues for all relevant authorities (including customs, quarantine, marine police, aquatic management officials, industry and commerce officials) about the humphead wrasse trade in relation to CITES compliance.
- The intensity and frequency of import monitoring of mixed LRFF boxes or shipments needs to be increased.
- Information on export regulations and annual export quotas of the main humphead wrasse exporters, such as Indonesia and Malaysia, should be made public and accessible to the industry, relevant authorities, and others in the main markets, such as mainland China and Hong Kong.
- The relevant authorities in Hong Kong and mainland China should liaise with their counterparts in source countries (such as Indonesia and Malaysia) over every seizure case, and ensure that all relevant trade is reported to the CITES Secretariat.

For humphead wrasse available in domestic markets in Hong Kong and mainland China:

- Information on legal import quantities and the need for possession licences for legal sales should be communicated to the industry and general public in order to increase regulation compliance and reporting of any non-compliance.

⁴ CNY 1,000 = USD 135 in December 2007

- Domestic sales information on possession licence holders' recording sheets should be collected and analysed by AFCD in order to understand the scale of the trade and to determine whether illegal trade is occurring.
- Licences of humphead wrasse legal possession should be posted in a visible location. AFCD should consider whether to change the quota stated on the possession licence for those seafood shops because the current quota on the licence only records the number of fish that can be held at any one time, not the number of humphead wrasse retail outlets can have during the five-year validity of the licence.
- Patrolling domestic markets, high-end restaurants and hotels should be increased to verify whether any illegally traded humphead wrasse are on the premises. Patrolling is especially recommended during seasons of high demand, such as the Chinese New Year holiday, weddings and tourism seasons. Authorities should ensure that every humphead wrasse available in the market is clearly of legal origin.

For humphead wrasse shipments between Hong Kong and mainland China:

- Hong Kong should monitor and report re-exports of humphead wrasse to mainland China as part of the official CITES database for trade. Hong Kong should also check with the CITES Secretariat on the data discrepancy of its humphead wrasse re-export data. Authorities should co-operate to ensure the legality of live fish shipments.

For humphead wrasse arriving by vessels in Hong Kong and mainland China:

- Authorities should inspect the fishing vessels for the legality of the humphead wrasse harvest, and to record all humphead wrasse carried by the vessels in import or harvest statistics.



Figure 3. Humphead (Napoleon) wrasse, *Cheilinus undulatus*, and groupers (Serranidae) in Hong Kong (photo: Yvonne Sadovy de Mitcheson).

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