



Market Advisory Council

Working Group 2: EU Market Draft Minutes

Thursday 16 May 2019

11:00-13:00

Avenue de Cortenbergh 168,
1000 Brussels

Welcome from the Chair, Andrew Kuyk

Adoption of draft agenda and minutes of last meeting (13.02.19): adopted

Focus Group on Level Playing Field – discussion

The Chair recalled that the Focus Group had been established in response to a number of concerns relating to rules and standards as applied to different categories of products or origins in order to explore whether there were more systemic issues involved resulting in distortion of competition or unfair advantage for particular sectors or operators. It was not intended to substitute for the proper examination of detailed measures or proposals by other Working Groups. The aim was to provide a more horizontal view of the collective effect of existing legislation and its implementation in order to determine a factual basis for judging where remedial action might be possible or appropriate. It was in the nature of the exercise that there would be differing perceptions of the issues and that consensus might be difficult to reach. But that was not a reason not to attempt it.

- Update on the work done: Pierre Commère, Chair of the Focus Group

The Chair of the Focus Group explained that four meetings had taken place up since the creation of this FG, and that a draft report was **still under discussion**.

The Group had tried to organise its work under a number of different headings:

- The **legislative framework**: is it fit for purpose, does it get it right in balancing the various interests?
- Are there gaps in the legislation?
- How different **implementation** of existing legislation by Member States sometimes leads to uneven playing field.
- Other issues, such as **labour or environmental standards** in third countries, where the EU can exercise its influence only in the framework of its external trade relations (the EU can only drive up standards through bilateral trade agreements - ex.GSP agreements).



Issues of contention:

- **Rules on labelling:** there were clear differences of approach. Some believed that it is not useful to compare fresh fish with processed fish, as these are different products with different characteristics. Others, on the contrary, are of the view that there is an issue of uneven playing field between fresh fish and prepared fish, as rules on labelling for the first category are stricter in comparison with the latter. The FG was not able to come up with a clear position on this, so was looking to the WG to give some guidance on how to solve it.
- The conceptual issue of the **application of the Common Fisheries Policy** to foreign vessels fishing in their waters or in international waters or under Regional Fisheries Management Organisations: one could say that the absence of identical standards for non-EU vessels to the ones imposed by the CFP to the EU fleet creates a situation of uneven playing field. The issue that the FG and WG1 have to take position on is whether we conclude that only fish caught according to the CFP rules can be commercialised within the EU market.

Possible way forward: one option could be to simply note that there is a difference of approach in these two issues. The FG Chair is of the view that, given the fact that there is another FG working on labelling rules, it might be preferable to refer the labelling issue back to that FG.

Issues where there is consensus: where third country standards were below those applicable in the EU (e.g. sustainability or hygiene) every effort should be made to drive improvements in supply chains.

- **Discussion on the scope of the MAC advice**

Given the many dimensions in the issue of level playing field, AIPCE believes that we need to **narrow down the scope** of the MAC advice. We have to clarify what is our ambition on how far we can go. One option could be to take the current legislation and identify where the problems are. This is tangible and useful and we have to be practical. We need to focus on situations where we can provide an advice on how to tackle the problem.

Oceana saw value in a wider ranging discussion leading to more aspirational advice as to where changes might be made in future, in particular to highlight issues not currently being addressed.

ANFACO felt that the MAC advice should focus on specific **situations** of uneven playing field. There are no unified / clear criteria to judge whether in a given situation there is level playing field or not. We have associated the notion of level playing field to justice for operators. But justice is a very subjective notion / criterion.

CFFA is of the view that the FG should **list** the issues where there are problems and then each one of those issues could be discussed further in the competent WG.



Issues to be included in the draft advice:

- **Labelling:** labelling rules are important, as, for example, when a can contains fish coming from IUU fishing, this creates a situation of uneven level playing field for legitimate operators. Therefore stringent / compulsory labelling rules are required (Europêche).
- The MAC could analyse how the current **marketing standards**, which are under evaluation, can ensure a level playing field (Commission), as this is one of the objectives the Common Market Organisation Regulation sets out for the standards.
- Issues such as **undersized fish** or **sustainability** in fisheries and aquaculture could also be dealt with in this paper and may be useful for the Commission. And these are issues where all stakeholders in the MAC can agree upon (Commission).
- Imported products should meet **minimum criteria**, so that a level playing field is guaranteed for EU producers (ETF, Europêche):
 - o IUU products should not be allowed to enter the EU market;
 - o the International Labour Organization's standards should be respected;
 - o sanitary controls of imported products are necessary.

Procedural aspects:

A number of WG participants felt it was difficult to comment in the absence of a **draft report**, however incomplete.

There was also confusion over how far other FGs (for example **marketing standards**) should try to deal with level playing field issues.

However, the issue of how harmonised environmental and social sustainability standards can ensure a level playing field, must be explored in one or another FG / WG (CFFA).

We should not avoid the discussion here by transferring the work to other WGs (Europêche).

• **Way forward**

- We need to clarify / delimit the **scope** of the FG. The FG should identify cases where we have uneven playing field, ie.in the field of marketing standards. This FG cannot resolve all those cases, but can produce a kind of **inventory**. Thus, in this paper we can flag up issues, which can then be dealt within the competent FG / WG;



- This FG should leave outside of the paper on level playing field the issues of **marketing standards**, as this is in the remit of WG1;
- **Further discussion** will continue at FG level;
- A **draft** paper should be circulated prior to the next WG meeting.

Trade Agreements

- **Collaboration with the LDAC - discussion**

The Chair notes that while WG2 of the MAC is the competent forum to discuss and give advice on trade agreements, the Group was open to discussion with other interested ACs. Unfortunately it had not yet been possible to arrange this.

- **EU / USA discussions, notably in light of recent developments between USA and China – information**

The Chair drew attention to the implications for the fisheries sector of a potential trade war between the USA and China, as well as those which might arise from an EU/USA trade dispute. It is important to know what the situation is, as, wherever an operator is situated, if there is a major disruption of the world trade, that affects the global supply and demand and prices.

The Commission encourages the WG to put questions in written and the competent services will reply.

EUMOFA

- **Questionnaire addressed to Working Group 2 – information**

The Chair explained that a questionnaire had been distributed to all Working Group members, based on the model already used by WG1. Only a limited number of responses had been received. These suggested that EUMOFA was not seen as an active tool for market management, though historical data did have some value. No specific suggestions for change had been made.

AOB

None



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