

## Working Group 2: EU Market Minutes

Tuesday, 22 September 2020

14:30 - 17:30 CET

Zoom online meeting

Welcome from the Chair, Andrew Kuyk

Adoption of draft agenda and minutes of last meeting (09.09.20): adopted

### Trade Agreements

- **Presentation by Commission representative on state-of-play**

Click [here](#) to access the Commission's presentation.

Eva De Bleeker (DG MARE) provided an explanation on how fisheries chapters are included in FTAs and then provided an update on several negotiations: Eastern and Southern Africa, Chile, New Zealand, Australia, and Indonesia.

João Nunes (DG MARE) provided an update on the WTO negotiations on fisheries subsidies. Regarding the sustainability impact assessment for the Eastern and Southern Africa FTA, the representative highlighted that the Commission services have met with the external consultant. DG MARE stressed the importance of hearing the views of the fisheries sector. The external consultant will contact fisheries stakeholders for input, which might include the MAC.

- **Exchange of views**

The Chair noted that FTAs required a balance both between different economic sectors and with wider policy criteria, such as sustainable development. Fisheries were clearly more important to some than to others – and within that impacted differently on different parts of the industry. It was therefore appropriate for the Commission to engage directly with specific interests (as represented by component parts of the MAC), as well as with the MAC itself on the more horizontal issues. Many of those touched on other aspects of the MACs work, such as the recent advice on the level playing field and the Control Regulation. In the months ahead, the European Green Deal and the Farm to Fork strategy would also be highly relevant in respect of both sustainability and competitiveness. Account also needed to be taken of the different administrative and fisheries structures in potential trade deal candidate countries, for example in relation to issues, such as vessel registration and ownership.



The Chair also requested more information regarding New Zealand's concerns on the trade and sustainability chapter with the EU.

Eva De Bleeker (DG MARE) replied that the EU and New Zealand are essentially on the same level on sustainability. New Zealand would prefer further controls on the implementation of the FTA articles. The EU takes a cooperative approach on the sustainability chapter. New Zealand prefers more binding conditions in their FTAs. The EU wants to deal on the same level with all partners. It is not a matter of different levels of ambition on sustainability, but it is only a difference of implementation.

In the case of the negotiations with Indonesia, the fisheries chapter is being impacted by the ban on European alcohol products. Therefore, it is important to keep in mind that fish is only one item in the negotiations, so there can be trade-offs in the totality of the agreement.

Vanya Vulperhorst (Oceana) highlighted that, according to the presentation, the EU always wants a genuine link between the flag and the vessel, in order to have an economic link. Therefore, they wanted to know DG MARE's options to promote this, such as regulatory reform or a way to only cover products from the genuinely national fleet. On covering subsidies in the trade and environment chapter, they wanted to know more about the EU's hesitation to include these, taking into account that these articles function more like an ambition and are not necessarily binding.

Eva De Bleeker (DG MARE) explained that the EU negotiations push for the genuine link. The options depend on the other country. If the other country's system does not allow proof of ownership and flag registration, then the products that are not caught under these conditions will not be covered by the FTA.

João Nunes (DG MARE) explained that the aim is for the rules of origin to benefit the parties that signed the agreement. The Commission does not want third parties that did not sign the agreement to be economically benefiting from it. On fisheries subsidies, there should be more stringent rules and the Commission would be pleased to include wording on these in bilateral agreements. At same time, the WTO multilateral negotiations are in the final stages. If the EU starts taking action bilaterally, it risks giving the wrong message to third countries that do not commit to the multilateral agreement.

- **Way forward**

The Chair wanted to know how the MAC can best provide input to the Commission, including prioritisation of the negotiations outlined.



Roberto Carlos Alonso (ANFACO-CECOPESCA) thanked the Commission for taking into account the sensitivity of canned tuna in trade negotiations. They requested more information about trade with Thailand, particularly if a FTA dialogue would be open.

Eva De Bleeker (DG MARE) replied that there were very preliminary talks, but, there were no developments in the last months. The representative acknowledged that there were some sensitivities connected with trade with Thailand. As for priorities for the MAC, the representative highlighted the topics of level playing field and economic competitiveness, economic cost of complying with rules, changes in market conditions for certain species, concerns with duty free imports.

João Nunes (DG MARE) highlighted the trade and sustainability chapter of the agreement with Eastern and Southern Africa. Mauritius and Seychelles are top exporters of tuna to the EU. There is also some pressure to derogate rules of origin, which might benefit fleets from third countries. A sustainability impact assessment will take place soon and there is a specific chapter on fisheries under the agreement. Therefore, this agreement could be the priority for the MAC.

The Chair wanted to know if there were any background documents available.

João Nunes (DG MARE) responded that the Commission services would discuss again with the external consultant. The consultant is still preparing the draft inception report. There is a suggested list of consultants and DG MARE drew attention to the fisheries stakeholders.

## Trade Policy Instruments

- **Exchange of views based on Work Programme for Year 5's priorities**

The Secretary General explained that, under the Work Programme for Year 5, the Executive Committee agreed to proceed with a review of trade policy instruments. The specific instruments have not yet been agreed. ATQs, GSP, Everything But Arms, FTAs have been mentioned. The Secretary General invited members to identify the most relevant instruments. DG TRADE is also undergoing a trade policy review, so the MAC can take into account the

The Chair drew attention to the launch of a DG TRADE [trade policy review](#) last June. The MAC could consider drafting a document responding to these questions, which also touch on COVID-19 recovery, the European Green Deal and the Farm to Fork Strategy. As a deficit market, the EU has a high need for imports, but, at the same time, imports should not be at any costs. There are economic, environmental, and labour aspects to consider. Most of the questions can be interpreted with a seafood perspective. The consultation's timeline would be too short for a MAC contribution, but it could inspire a MAC advice. There are several instruments that the MAC can consider. The evolution in Developing States also needs to be considered. The future work of the



MAC could be organised in many ways: 1) by large themes, 2) by segmented issues (i.e. labour conditions, fisheries management, flagging of vessels), or 3) instrument by instrument (i.e. FTAs, GSP, ATQs). The Chair invited members to provide suggestions on how the work could be organised, including on the establishment of a Focus Group.

Sean O'Donoghue (KFO) cautioned about the potential problems of the MAC undertaking large topics. It is important to define the key areas to be addressed by the Focus Group. The trade situation also needs to be taken into account. Therefore, it would be premature to look at the trade policy instruments before Brexit developments.

The Chair recognised the potential effect of Brexit on the supply and the size of the EU seafood market. There were several possible outcomes for the Brexit negotiations on the table. Further clarity on Brexit would be needed to move forward on some issues. At the same time, other topics, such as labour standards and regulatory costs, would not be directly impacted. Additionally, there has been feedback from the Commission that AC advices needed to be specific rather than general. It was important that discussions should result in clear deliverables and action points.

Guus Pastoor (Visfederatie), in his view as MAC Chair, stated that the format of the DT TRADE's consultation could be a good starting point and format for the MAC's work on trade policy instruments. He agreed with KFO that the MAC should divide the work. The Secretariat and the WG2 Chair should hold a meeting with the Commission to discuss priorities for the future work. The topic of Brexit is very connected, even though it does not stop the MAC from beginning the work. It is possible to develop terms of reference now and to intensify the work early next year.

- **Presentation by Alexandre Rodríguez, Executive Secretary of LDAC, on LDAC Opinion EU autonomous tariff quotas (ATQs) for certain fishery products Tuna loins**

The Chair explained that the Executive Committee had already agreed not to move forward with an advice on the current legislative proposal. At Council level, there seems to already be a Presidency compromise in circulation. It is expected to be concluded within weeks.

Alexandre Rodríguez, Executive Secretary of LDAC, explained that the Council is currently discussing the Commission's proposal for ATQs for the 2021-2023 period. The LDAC, following a request from the catching sector led by Europêche, considered this topic to be important for the long-distance fleet. The sensitivity of certain fishery products needs to ensure a level playing field for EU producers. The LDAC identified certain socio-economic issues for the long-distance fleet. The LDAC Secretariat received a motion to discuss the topic at the Executive Committee's level. The Executive Committee decided to set-up a dedicated Focus Group on this matter. LDAC recognises that the topic falls fully under the competence of the MAC, which is why the advice was formally sent to the MAC with the DG MARE coordinator in copy. LDAC does not expect a reply from the Commission. According to the Commission, topics of common interest should be



addressed jointly by the ACs. LDAC agreed on Terms of Reference for the Focus Group with a balanced composition of 12 members from the tuna-catching sector, processing and marketing organisations, and OIGs. There were four meetings in June. There were 9 different versions of the draft. The recommendations include facts and figures from the different sectors. The majority position was supported by 20 out of 24 Executive Committee members. There were abstentions and one vote against by AIPCE. The advice also includes the minority position from AIPCE. The advice was sent after the publication of the Commission's proposal, so it did not influence it.

- **Way forward: Terms of Reference and establishment of Focus Group**

The Chair agreed with the suggestion of a meeting with the Commission services on the wider trade policy instruments work. The Secretariat and the Chair will prepare an initial draft for the Terms of Reference. There is a need for a Focus Group or potentially even two. The Chair invited members to express their interest in joining a Focus Group and specific topics to covered.

## Control Regulation

- **Follow-up on exchange views with MEP Clara Aguilera, EP PECH Rapporteur (09.09.20)**

The Chair recalled that the EP PECH Committee Rapporteur is currently looking at tabled parliamentary amendments. Due to the European elections, the process restarted at the Parliament's level. The work is expected to continue until Spring-Summer 2021. In terms of issues, the Commission's proposal has not changed. The MAC adopted an advice based on the Commission's proposal. In the original advice, WG2 focused on better and consistent implementation across Member States, lots, and exemptions for small-scale fisheries and recreational fisheries. The exchange of views with MEP Aguilera provided an opportunity to explain the different positions. There was positive feedback from Ms Aguilera's office and there was willingness to continue discussions.

- **Way forward**

The Chair explained that, at an earlier stage, it was discussed if there was added value in issuing a follow-up advice. In his Chair's view, the exchanges of views provided added value, but no new issues came out that require additional advice at the moment. The Chair urged members to share their views, if there was a need for the MAC to produce additional advice.

Sean O'Donoghue (KFO), in relation to the four questions posed by MEP Aguilera, highlighted that only one had not been addressed in the MAC's advice: the use of undersized fish connected to the landing obligation for charitable donations. In their view, it was doubtful that the topic would warrant a new advice and that the MAC would be able to contribute more to the developments on the Control Regulation's legislative proposal.



The Chair recognised that the MAC has not dealt with the charitable donations option. In the Chair's view, in the COVID-19 pandemic context, it would be difficult to deny the need for charitable donations. Still, there is a risk of creating an alternative route for fish products. The objective of the landing obligation was to be a disincentive to the landing of fish that has no market. The establishment of a charitable feature could undermine some of the principles of the landing obligation. It depends on the framing of the question. The topic is quite important, but the Chair wondered if there would be added value in a new MAC advice.

### **Illegal practices in Ghana's industrial trawl sector and linkages with European markets**

- **Presentation of report by EJF representative**

Click [here](#) to access the presentation.

Georg Werner (EJF) provided an overview of the findings of an on the ground investigation by EJF in Ghana regarding IUU fishing.

- **Exchange of views**

The Chair welcomed the presentation and mentioned that it could almost be a case study for an advice on trade policy instruments. The Chair expressed surprised that the Commission had not proceeded with a reintroduction of a yellow card on exports from Ghana. The Chair stated that the proposed recommendations seemed quite appropriate and asked EJF to clarify if further work was needed.

Georg Werner (EJF) responded that the results of the report are concluded and available. They proposed to put forward a first draft of a potential advice, providing more details and background, for the consideration of WG2 members at the next meeting.

Guus Pastoor (Visfederatie) agreed with EJF preparing a first draft. The findings were quite disturbing, but that these need to be validated, since the MAC is a public body.

Vanya Vulperhorst (Oceana), following Visfederatie's comments, suggested that more general recommendations could be taken from the case study of Ghana, since there are concerns applicable to other countries. On the other hand, they would also be pleased with an advice focused on Ghana, as proposed by EJF, since the Commission has asked the MAC to provide specific advice.

Sean O'Donoghue (KFO) argued that, taking into account the seriousness of the topic, the MAC should move forward with an advice. Instead of definitive statements, the MAC can state that it "suspects" and asks the Commission to confirm and take action. They expressed concern about



the use of only general statements, because it could lead to a very large advice. This is an opportunity to send a specific advice without being categorical in the statements.

The Chair suggested to reiterate some general principles on the proper implementation of rules and using it as an illustrative example that the Commission should investigate. There is consensus that it is worrying information that requires action.

Christine Absil (Good Fish Foundation) agreed with the Chair. They do not have any doubts on the contents of the report. If these are not true, the Commission should demonstrate. There is no need for an external third party to verify the information.

Nicolás Fernández (OPP72) stated that the topic is quite important and that the EJF's work was quite impressive. The MAC should seriously consider this topic. It can have an impact on the respect for legislation and the commercialisation of seafood products in the EU. They argued that the Commission needs to take the work from EJF seriously, so the MAC should move forward with an advice.

- **Way forward: decision on development of potential advice**

The Chair stated that there seemed to be unanimity in the MAC. There were only some questions on how to express the findings.

Maria Sofia Villanueva (DG MARE) stated that they share the concerns of the MAC and that they are analysing the report from EJF. Due to the COVID-19 pandemic, DG MARE is not able to travel to investigate in person. Presently, the Commission is cooperating with Ghana through the IUU WG. If the situation does not improve, the Commission is considering taking further action.

## **IUU Regulation**

- **Consideration of draft advice on Import Control Schemes in Major Market States**

The Chair explained that the draft advice focused on better alignment of import control schemes in major market States, particularly the USA and Japan. The first half of the document provides a description and high-level recommendations, while the second half is an Annex with an illustrative list of recommended 17 key data elements. The MAC would not necessarily be endorsing all 17 KDEs. These are meant as an illustration of cooperation. The Chair proposed to put forward the draft advice to the Executive Committee for adoption.



## Catch IT System

- **Exchange of views with Commission representative on system developments**

Desiree Kjolsen (DG MARE) highlighted that the COVID-19 pandemic had an effect on the CATCH IT System activities, particularly the promotional activities. Last year, the system was promoted in the MAC and in the LDAC. There was training for Member States authorities. In bilateral meetings with third countries, the Commission also promotes CATCH. The Commission had organised a regional information seminar for the Asian and Pacific countries, which did not take place. It is unclear when it will, but the Commission services will try to arrange it again, likely in virtual format. From a development perspective, it has been a productive period. The developer has worked on the integration of new features, such as the simplified catch certificate as well as suggestions from the Member State authorities. The Commission will provide a link to a documentation website with more information about CATCH. The website has been finalised by DG SANTE, so, in a few weeks, the link will be sent to the MAC and LDAC Secretariats. Instructions on the use of the training section of the website will also be included. Feedback will be welcomed.

The representative explained that the legal basis is still missing. There will be no adoption until 2021 under the revision of the Control Regulation. On interoperability with third countries and Member States, several of the 92 flag States and processing countries have expressed interest in linking CATCH. It is not possible to provide individual solutions for each country, so the Commission services are looking into one solution for all under the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) focused on the electronic exchange of messages and the Fisheries Language for Universal Exchange (FLUX). In February 2020, the Commission presented this idea in a meeting of experts under UN/CEFACT to establish message standards that could be applied for all catch certification and documentation schemes. Therefore, not only for CATCH, but also for RFMO schemes and schemes introduced by third countries. The idea was positively welcomed, but it is still at an early stage. It is a very technical work, but the Commission is confident that it is the best approach.

The Chair welcomed the constructive developments, particularly the interoperability.

## AOB

None





### Summary of action points

- Trade Agreements:
  - o Follow-up on the consultation on the Eastern Southern Africa FTA
- Trade Policy Instruments:
  - o Secretariat and Chair to prepare first draft Terms of Reference for the establishment of a Focus Group on Trade
  - o Secretariat and Chair to arrange bilateral meeting with the Commission services to discuss possible priorities for the Focus Group
- Illegal practices in Ghana's industrial trawl sector and linkages with European markets
  - o EJF to prepare a first draft advice to put forward at the next meeting
- IUU Regulation
  - o Agreed draft advice on import control schemes in major market countries to be put forward to the Executive Committee under ordinary procedure
- Catch IT System
  - o Secretariat to circulate the link to the CATCH IT documentation website, once it is made available by the Commission services



## List of attendees

Representative	Organisation
Alexandre Rodriguez	Long Distance Advisory Council's Secretariat
Andrew Kuyk (Chair)	AIPCE-CEP
Anna Boulova	FRUCOM
Annelie Rosell	Swedish Pelagic Federation PO
Carla Valeiras Alvarez	EuroCommerce
Catherine Pons	FEAP
Christine Absil	Good Fish Foundation
Cristina Fernández (observer)	United Kingdom (Seafish)
Daniel Voces de Onáindi	Europêche
Daniel Weber	European Fishmeal
Desiree Kjolsen	European Commission
Emiel Brouckaert	EAPO
Eva De Bleeker	European Commission
Georg Werner	Environmental Justice Foundation
Guillaume Carruel	EAPO
Guus Pastoor	Visfederatie
Haydeé Fernández	CONXEMAR
Jens Mathiesen	Danish Seafood Association
João Nunes	European Commission
José Basilio Otero Rodríguez	Federación Nacional de Cofradías de Pescadores
José Carlos Escalera Aguilar	Federación de Cofradías de Pescadores de Cadiz (FECOPESCA)
Katarina Sipic	AIPCE-CEP
Katrin Vilhelm Poulsen	WWF
María Luisa Álvarez Blanco	FEDEPESCA
Maria Sofia Villanueva	European Commission



Representative	Organisation
Massimo Bellavista	COPA COGECA
Matthias Keller	Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V.
Mike Turenhout	Visfederatie
Nicolás Fernandez Muñoz	OPP72
Norah Parke	EAPO
Patrick Murphy	IS&WFPO
Pedro Luis Casado López	OPP80
Pedro Reis Santos	Market Advisory Council
Pierre Commère	ADEPALE
Pim Visser	VisNed
Purificación del C. Fernández Alvarez	OPPC-3
Quentin Marchais	ClientEarth
Roberto Carlos Alonso Baptista de Sousa	ANFACO-CECOPESCA
Rosalie Tukker	Europêche
Santiago Folgar Gutiérrez	AVOCANO
Sean O'Donoghue	Killybegs Fishermen's Organisation Ltd
Sergio López García	OPP LUGO
Signe Aaskivi	EFCA
Stavroula Kremmydiotou	Market Advisory Council
Vanya Vulperhorst	Oceana

