

MINUTES WORKING GROUP 2: EU MARKET

Tuesday 17 October 2017
14:00h – 16:40h
Martin's Brussels EU
Boulevard Charlemagne 90, B-1000, Brussels

Welcome from the Chair and adoption of the agenda

Andrew Kuyk, Chair of WG2 of the MAC, welcomed those present.

The representative of the Spanish Ministry of Agriculture, Fisheries, Food and Environment, MAPAMA, Aurora de Blas, regretted the last minute cancellation of the immediately preceding meeting of WG1 because the Chair of that Group had been unable to travel to Brussels. It ought to have been possible for the meeting to proceed with the Vice Chair. Andrew Kuyk took note of behalf of the Excom, adding that he understood the main presenter had also been unable to travel because of adverse weather conditions, contributing to the exceptional circumstances.

The agenda was adopted with the addition of an AOB item relating to EMFF (request of Excom Chair)

Adoption of the minutes of last meeting (16.05.17)

The minutes were adopted with no further comments.

Trade Agreements: consideration of MAC recommendation

Joao Nunes, Policy Officer at Unit B3, DG MARE, gave an update¹ on ongoing trade negotiations, on behalf of the European Commission (COM):

- Japan: agreement essentially in principle, but many details still to be resolved. Fisheries are not an issue except for the Bluefin tuna. A possible opinion of the MAC would not be relevant at this late stage.
- CETA: provisionally in application since 21 September 2017
- Indonesia: a third round of negotiations took place on 11-15 September 2017 in Brussels, negotiations to resume in the upcoming months
- Chile: negotiations for the modernisation of the agreement will start next year²
- Oceania; Australia and New Zealand: negotiating directives proposed by the Commission in September 2017; negotiations expected to start in the coming months

The COM emphasised the need for any MAC recommendations to be made in the very early stages of such trade negotiations. Ideally these should include defensive and offensive interests, any relevant trade barriers, issues relating to rules of origin etc., as well as a clear supporting rationale.

¹ OVERVIEW OF FTA AND OTHER TRADE NEGOTIATIONS, [Septembre 2017](#)

² [Ex-ante Study of a Possible Modernisation of the EU-Chile Association Agreement Final Report](#) and the [Executive Summary](#)

The Chair noted that this would require the Commission to keep the MAC fully informed of its plans in sufficient time to allow input to be prepared.

In that context it would seem appropriate for the MAC to begin work now on Chile, New Zealand and Australia and this could be factored into its Year 2 programme. The Secretariat would follow up direct with the COM on the elements needed for this (species, tariff lines, trade flows etc).

ANFACO-CECOPESCA stressed the importance of rules of origin for different products in different agreements, as well as the need to take account of issues such as human rights. They also requested that details of specific COM negotiating offers should be shared.

The COM said input on rules of origin and labour aspects were precisely the kinds of issues on which MAC input would be welcome. On the possibility to consult the COM offers, consultations are carried out with Member States. But the COM would do its best to ensure these reflected industry input.

The AIPCE representative noted that tuna frequently featured in such negotiations and that EUROTHERON had a wealth of relevant information which could be shared with the Secretariat to help inform MAC positions. Tuna was also a major concern in relation to the Cotonou Agreement; Economic Partnership Agreements (EPAs) and a number of interim agreements in the Pacific; these are going to be developed into full partnership agreements and how is global sourcing considered in these cases?

ANFACO-CECOPESCA referred to the next ministerial conference within the WTO in Buenos Aires and asks whether MAC could be shown the COM's proposal for this meeting.

The Chair asked whether there are other particularly sensitive species besides tuna that the COM could flag up.

CFFA mentioned the concern of the NGOs on the development of the chapter on social conditions and asked the COM for their position on this.

SEAFISH requested information on the Expert group on trade and sustainable development, and asked whether MAC could participate in the expert group

The COM replied that they were aware of the cumulation issue in Asian countries in relation to tuna. Regarding the strengthening of the rule of origin in the Pacific EPA; this is not something that can be changed at this point, as the EPAs were signed some time ago. There was however a possibility that other Pacific countries would join the EPA, as Papua New Guinea had recently done. Fiji is in the process of implementing it.

The COM emphasized the importance of strengthening port State-specific measures in the agreements with Indonesia and the Philippines.

Regarding the WTO subsidies the COM agreed to share their proposal with the MAC; the negotiation process was accelerating in view of the Ministerial Conference that will take place 10-13 December 2017, the Commission delegation in Geneva was very active, and was working on reaching a common text. There were several different proposals at the moment and a range of different views, which was slowing progress at the moment.

On the expert group mentioned by SEAFISH, the COM will come back with information on the issue.



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Regarding the chapter on sustainability in FTAs, the COM is working on reinforcing this chapter but not all partners have the same views. The definition of sustainability varies from country to country although the COM tries to be as consistent as possible across FTAs.

The LDAC representative noted that prior to the establishment of the MAC, they had dealt with market related issues and had produced various pieces of advice including on GSP+ monitoring process regarding the Philippines. The next LDAC WG5 meeting on 8 November would be discussing issues such as the violation of human rights on which a number of positions had been exchanged with the COM. The MAC was invited to share in taking forward this work.

The Chair welcomed the offer from the LDAC and requested members to forward their position papers on the agreements with third countries to the Secretariat.

Presentation by MSC on their report *Seafood consumers put sustainability before price and brand*

Perrine Bouhana, GlobeScan Incorporated on behalf of MSC

The representative of GlobeScan Incorporated gave a presentation on a study carried out in 2016 on the consumer's perception across 21 markets, on behalf of MSC.

The presentation can be found [here](#).

The survey will be repeated beginning of 2018 and MSC will be happy to share the results with MAC.

The Chair asked whether the study made reference to the source of the fish (aquaculture or wild).

The representative of GlobeScan stated that in general they referred to seafood, without specifying the source.

CFFA asked whether the study shows that consumers would be willing to pay more for sustainably sourced fish.

The representative of GlobeScan responded that only the segment of consumers aware of the concept of sustainability and the role of labels would be willing to pay more.

LIFE asked how the respondents were selected and how they were engaged and motivated to respond the questionnaire.

The representative of GlobeScan replied that they normally look at census data in the country concerned and take criteria such as income, age etc. into consideration, making sure the respondent quotas match given criteria (for example gender percentage) at a national level in order to be representative.

On motivation, they worked with consumer panels and those who took part were given vouchers in the amount of 10 to 20 euros.

Visfederatie asked what sustainability meant for the respondent consumers and if the study used a specific definition or was open to personal interpretation, in which case conclusions might be misleading. Also, many consumers will say they are aware or have heard of sustainability but do not pay attention to labels when shopping.

On consumers claiming to be aware of sustainability but not taking account of ecolabels, the representative of GlobeScan stated that indeed that is a big contradiction and the challenge is precisely to raise awareness on what these labels mean. The consumer will react to what they can relate to and need to be better informed.



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On the definition of sustainability; in this study it was related to environment. For the next survey, elements such as human rights would be highlighted.

FRUCOM commented on the study's conclusion that consumers appeared to place greater trust in NGOs and certifiers than in the public authorities actually responsible for managing sustainability policies. This was at odds with Eurobarometer findings that consumers assumed that sustainability was automatically guaranteed by compliance with EU law and that price was a more important determinant of purchasing choices.

FEDEPESCA stressed the importance of improving communication given the lack of consumer understanding as to what sustainability means. Consumers should not be lead to believe that only fish with a certification is sustainable. Efforts made by the EU and Member States do not seem to be recognised. Sustainability is not only connected to a label, nor to one label in particular. A European certification would be helpful in this case.

The representative of GlobeScan replying to FRUCOM stated that large businesses, governments and media are often shown to be the least trusted institutions. Consumers assume NGOs and academic institutions act in best interests of society.

The Chair felt that more also needs to be done regarding communication on the health benefits of fishery products. The report from MSC could be a useful complement to the report from the COM. Consumer trust is the number one priority for any industry.

Presentation on *achievements of the EU IUU Regulation*

By Eszter Hidas, WWF

The presentation can be found [here](#).

WWF proposed:

- The production of joint MAC/LDAC Advice on the carding process
- That the MAC should endorse the existing LDAC advice on IMO numbers
- That the MAC should establish a task force on revision of the Control Regulation.

The Chair supported these proposals and suggested the work to be carried out under the Task Force which dealt with the last MAC/LDAC joint advice on Improving Implementation of the EU regulation.

LDAC agreed with WWF on the joint advice; WG5 of the LDAC may tackle the issue during its next meeting 8 November in Brussels. On the IMO numbers, LDAC informed that they have received a reply from DG TRADE explaining that the requirement of IMO number might be against WTO rules. On the Control Regulation, the LDAC focuses mainly on enhancing the role of EFCA in fighting the IUU and participation in projects. The workshop on EU Control Regulation on the 16.11.17 would be a good opportunity for the MAC to express their views.

FRUCOM mentioned the different focuses of the IUU and the Control regulations and asks what exactly the purpose would be.



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WWF explained that the IUU regulation is based on the fact that the EU is the high standard of fisheries control in the world and expects the same from imports to EU. The Control Regulation is about to be revised and those high standards should not be weakened.

The Chair concludes that MAC:

- can agree on the proposal to work on a joint MAC/LDAC advice on the carding process
- would wait for the development on the IMO number proposal within LDAC after the response they were given by DG TRADE before move forward
- would consult with Sean O'Donoghue, Chair of WG1, on the proposal to establish a task force on the revision of the Control Regulation

Commercial Designations for fishery products

By Matthias Keller, BVFi and Cristina Fernandez, Seafish

The presentations can be found [here](#).

The Combined Nomenclature (CN) is a tool for classifying goods, a further development (with special EU-specific subdivisions) of the World Customs Organization's Harmonized System nomenclature. According to the American Fisheries Society, the scientific name of the commonly known Alaska Pollock, is no longer *Theragra chalcogramma* but *Gadus* (Cod) *chalcogrammus*. This change puts Alaska Pollock in direct affinity with Cod as it will be classified under the assigned code for *gadus* in the HS thereby creating confusion, problems in the traceability and at border controls, among others.

The World Customs Organization updates the HS nomenclatures every five years, being the next update scheduled for 2022. The list was updated in September 2016.

BVFi requested the MAC to produce a position on the Alaska Pollock case, and any other possible products affected, before the end of this year.

Seafish requested feedback from the COM on the issue.

PSPR supported the position from the BVFi and requested the COM to act to avoid change to the commercial name.

EMPA expressed their support as the aquaculture sector suffers the same problem with certain products and requested the COM to draft a regulation on codes for tariffs which would help in avoiding fraud.

ADEPALE pointed out that in the list that France sends to the COM under the CMO, there are about 50 species for which there are two names mentioned (a scientific name valid recognised the scientific community , and another scientific name recognized by the supervisory authorities). This flexible system avoids a maximum of confusion. He also stressed that the 3-character FAO code should be unique for each listed species.

ANFACO-CECOPESCA supported the idea of having a MAC position on the issue.

The COM informed that DG MARE has the lead on this specific issue. The issue of the possible change of scientific name for *Theragra Chalcogramma* has already been discussed in the past at WCO level, where EU, Japan and Norway opposed the proposal. The United States has accepted that the change to name is only for internal US trade purposes. The COM is organising an expert group on labelling issues and any input from the MAC before the 30 November will be welcome. The link with the CMO is also relevant. On the commercial designation system, the COM hopes to have it out as soon as possible.

Members of the WG were invited to forward examples of other species under the same situation to the Secretariat. The MAC will draft a letter on the matter.

AOB

Visfederatie drew attention to the conference on EMFF and the discussion on the nature and scope of the programme post 2020 that took place in Tallinn in October. Among other issues, the fund has a paragraph on promotion and commercialization. MAC should study how work on the future of EMFF can be integrated in its working groups.

End of meeting

Attendees:

MAC
MAC

Sandra Sanmartin
Jessica Demblon



Market Advisory Council

Europeche
Europeche
Conxemar
Conxemar
Life
AIPCE
Visfederatie
ADEPALE
CEP
OPP-77-Lugo
OPP-77 Puerto de Celeiro
OPPC- 3
WWF
WWF
EMPA
FEAP
SeaFish
LIFE
MSC
PSPR
LDAC
BVFi
FEDEPESCA
FRUCOM
ANFACO-CECOPECA
VisNed/EAPO
EUFISHMEAL
CFFA
Danish Society for a Living Sea
Good fish foundation
European Commission
European Commission
European Commission
European Commission
CEP
MAPAMA (Spain)
ORPAGU
MAPAMA SGP
COPA-COGECA

Rosalie Tukker
Daniel Voces
Marta Llopis
Katarina Sipic
Brian O'Riordan
Guus Pastoor
Mike Turenhout
Pierre Commere
Marian Brestovansky
Jose M. F. Beltran
Eduardo Miguez Lopez
Puri Fernandez
Eszter Hidas
Ignacio Fresco Vanzini
Bruno Guillaumie
Arnault Chaperon
Christina Fernandez
Claudia Orlandini
Vittorio Simoncelli
Jarek Zielinski
Alexandre Rodriguez
Matthias Keller
Maria Luisa Alvarez Blanco
Anna Boulova
Marta Aymerich
Pim Visser
Jonas Sorensen
Beatriz Gorez
Erik Bjørn Olsen
Christine Absil
Joao Nunes
Chiara Bacci
Carola Gonzalez Kessler
Frangiscos Nikolian
Andrew Kuyk
Aurora De Blas
Juana Parada
Carmen Rodriguez
Elena Ghetti