

MINUTES

WORKING GROUP 2: EU MARKET

Wednesday 24 January 2018

09:30-11:30

Business Europe- Room Europe

Avenue de Cortenbergh 168, 1000 Bruxelles

Welcome from the Chair

The Chair of Working Group 2, Andrew Kuyk, welcomed those present.

Adoption of the agenda and minutes of last meeting (17.10.17)

Both the agenda and the minutes of last meeting were approved with no further comments.

Trade Agreements

Update on the Ministerial Conference of WTO December 2017

The European Commission (COM) gave a brief update on the Ministerial Conference of World Trade Organization (WTO), which ended without any binding agreement on fisheries subsidies between members. The COM manifested their disappointment on the outcome of the meeting and expressed their commitment to keep working on this priority matter.

Regarding Free Trade Agreements (FTAs), the programme for 2018 includes the finalisation of the agreement with MERCOSUR and Mexico, the mandate for negotiations with Australia and New Zealand, negotiations with Chile and Indonesia and the procedure for adoption of already signed agreements with Vietnam, Singapore and Japan. With Tunisia, negotiations are foreseen to update the agreement.

On the Autonomous Tariff Quota (ATQ) the regulation is planned to be renewed for three more years (2019-2021) so as to ensure the supply of products to the EU. The sectors affected by this decision will be consulted and invited to provide the COM with their opinion. A preliminary internal proposal will be ready in April and presented to the Council in June.

CFFA expressed their disappointment with the outcome of the WTO meeting and supported the COM in their commitment to keep defending their position.

ANFACO-CECOPECA highlighted the importance of negotiations with Southeast Asia, as a principal producer of canned tuna and requested an update on Thailand. Regarding Chile they have an offensive position as it is an important export market. By contrast their position on Indonesia was defensive (for tuna) as it was for Mexico, where there should at least be maintenance of the status quo. They had a similarly defensive position on Mercosur for semi-conserved anchovy and *Pilchardus* sardine.

Finally attention was drawn to the importance of preferential rules of origin, stressing flags of origin, registration and ownership of the vessels.

The COM said they would take into account the importance of the Southeast Asia countries for the EU stakeholders in the ongoing negotiations. Philippines falls under GSP+ and would continue benefitting from

this preference. With regards to Thailand and Malaysia, there was the possibility to resume talks between both parties but this would not happen soon. For Thailand it will depend on having a democratically elected civilian government. Regarding Chile, the COM took note with thanks and would welcome more information on salmon and hake as soon as possible.

These exchanges led to a wider discussion as to whether the MAC should collectively support requests from individual members or simply transmit them to the COM. It was agreed that whenever there is a consensus on a specific agreement, the MAC could develop a formal position; however individual opinions needed to be forwarded to the COM by the interested organisation. Some members expressed concern at the difficulty of providing input on such issues while noting the potential impact of these agreements on European production.

SEAFISH requested an update on India. The COM confirmed that DG TRADE will meet with India in 2018, but that the outcome of that meeting is uncertain.

On ATQs, KFO asked whether the COM had carried out a review similar to the one conducted previously. The COM replied that the evaluation done 3 years ago was exceptional and another in-depth review is not foreseen.

The Chair requested from the COM an explicit timetable to adjust the work of the MAC accordingly.

IUU Regulation

Task force for a joint advice MAC/LDAC on carding process

WWF, on behalf of the EU IUU Coalition, gave a presentation on suggested actions for improving industry engagement in the carding process. These suggestions emerged as outcomes from discussions with the industry.

LDAC, with whom the MAC signed an opinion previously on improving the implementation of the IUU regulation, endorsed what WWF had said. NGOs and industry have been collaborating through discussions on transparency of the carding process and the procedure of identifying non-compliant countries. The LDAC would be happy to assist the MAC in setting up the task force in order to develop a joint advice on improving transparency.

Members discussed the suggested actions one by one:

- *Establishment of ongoing dialogue between industry representatives and the European Commission on the carding process with a view to inter alia identifying opportunities for joined up action and priority areas where industry should focus their efforts in third countries. This could take place through the creation of a dedicated multi-stakeholder task force, or via existing channels.*

Members highlighted the importance of involving the sector, civil society and scientific bodies in the carding process; the need for confidentiality in sharing relevant commercial information and the creation of a Task Force which could be updated by the COM regularly.

- *Establishment of a procedure or mechanism for ensuring that local industry partners are provided with accurate information on concerns raised by the Commission under the carding process, based on which they can take action in-country. Likewise, establish necessary mechanisms for the feeding back of information from local partners to the Commission.*

Once the carding takes place, all information is available including the rationale behind the carding. Members felt that the sector has already all information needed to engage in the process.

- *Provision of incentives by the Commission to EU business operators in third countries to cooperate and provide support during the carding process and, if best practice and compliance with EU requirements can be demonstrated, to be allowed to continue exporting to the EU after a card has been issued.*

Members did not agree with this point as the main weakness of these countries relates precisely to the traceability system. The ban is set in place in order to help those third countries and does not come straightaway: it is a long warning process. The Task Force will further reflect on this item.

- *Creation of an online database broadly accessible to all EU businesses, managed by the Commission, where all companies are given the opportunity to supply information confidentially on where they operate. This would provide the Commission with relevant information to engage with business operators at the earliest possible stage regarding the status of a country's compliance with international requirements.*

The database would cover information from sector organisations involved in a particular country on how they operate there. This database could be linked to the one foreseen in the Regulation on the sustainable management of external fishing fleets (2017/2403).

- *Development of an ongoing measure of compliance by countries with their international fisheries obligations, such as a ranking system independent of the carding process, to assist industry in focusing support to third countries to improve fisheries management and governance.*

Members did not support the idea of having a ranking system in parallel to the carding process, which will add complexity to the whole procedure. Information on what the COM looks at when carding can be inferred from past decisions. Concerns were expressed regarding the amount of resources these initiatives and suggestions would imply for the COM, calling members to be realistic regarding what to expect.

- *Provision of detailed case studies by the Commission on countries that have been yellow, red and green carded, in order to provide greater clarity on the key tipping points that have led to carding decisions so far.*

Members agreed with this initiative.

- *Provision of information to industry on the products that have been rejected at EU borders and from where they originated, to allow for real-time information on countries that may be failing to effectively address IUU fishing.*

By disclosing both the rejections and the reasons for them, companies would be more reluctant to buy from a specific factory that does not comply with rules in terms of IUU. There is an inherent difficulty in implementing this suggested action given that the only information available regarding a country penalised under the carding system is the country itself, not the companies operating in that country. Consistency in implementation across MS would help, as well as sharing information on what national authorities do.

- *Increased transparency around the flag State notification process under Article 20 of the EU IUU Regulation. Specifically, the sharing of information by the Commission on the commitments made by third countries under this process, and how responsibility for addressing the various aspects of IUU fishing is divided between competent authorities.*

The Chair invited members to participate in the Focus Group and to communicate their interest to the Secretariat. The Focus Group, which will be led by WWF, will be in coordination with the LDAC.

The Chair informed members that the Joint Meeting WG2 and WG3 of the MAC would follow immediately.

End of the meeting

Attendees:

AIPCE, Guus Pastoor
CEP, Andrew Kuyk
CFFA, Beatrice Gorez
ANFACO-CECOPECA, Felicidad Fernández
EU Long Distance Fleet Advisory Council (LDAC), Alexandre Rodriguez
EuroCommerce, Julie Mandrille
Europeche, Rosalie Tukker
FEAP, Arnault Chaperon
FEDEPESCA, Maria Luisa Alvarez Blanco
FRUCOM, Anna Boulova
Irish South & East Fish Producers Organisation, Hugo Boyle
IS&WFPO, Patrick Murphy
KFO, Sean O'Donoghue
MAC, Sandra Sanmartin
MAPAMA, Borja Carmona Castano
MAPAMA, Aurora de Blas
MSC, Hans Nieuwenhuis
OPP LUGO, Sergio López García
OPPC-3, Purificación del C. Fernández Alvarez
OR.PA.GU., Juana María Parada Guinaldo
Puerto de Celeiros a OPP77, Eduardo Miguez
SEAFISH, Cristina Fernández
Visfederatie, Michael Turenhout
WWF, Eszter Hidas
WWF, Anne-Cecile Dragon
EJF, Georg Werner
GFF, Christine Absil
European Commission, C. Murphy, J. Nunes