

WORKING GROUP 2: EU MARKET

Tuesday 16 May 2017
14:30h – 17:30h

Martin's Brussels EU
Boulevard Charlemagne 90, B-1000, Brussels

- **Welcome by the Chair and adoption of the agenda**

The Chair, Mr Andrew Kuyk, welcomed those present (ANNEX I). The agenda was adopted with no further comments.

- **Adoption of minutes of the last Working Group 2 (18.01.2017)**

The minutes were adopted with no further comments.

- **Fight against Illegal, Unreported and Unregulated (IUU) Fishing**

- **Joint advice MAC-LDAC on IUU issues: Task Force**

The Chair gave a brief background of the issue:

Long Distance Advisory Council sent its opinion "*Improving implementation of the EU Regulation to fight against illegal, unreported and unregulated (IUU) fishing*" to the European Commission on 24 November 2016. LDAC received Commission's response on 21 December 2016. Markets Advisory Council and LDAC subsequently agreed to work together on drafting comments on this response. A Task Force, led by WFF, was formed to prepare a draft joint advice (ANNEX II).

Eszter Hidas (WWF) gave a brief presentation of the following key points and recommendations:

- To secure additional human resources in order to ensure a more rapid and effective delivery of the IT system to support Member States in the implementation of the catch documentation scheme.
- To include a balanced representation of the LDAC and MAC members, as well as national fisheries stakeholders of concerned MS, in the discussions around the business requirements of the IT system, and any discussions leading up to the establishment of the system, so it can be effective and properly implemented from an operational point of view.
- To establish a mechanism within the new IT system for the proactive sharing of intelligence and results of verifications and inspections, to ensure a steady flow of relevant information between Member States.
- To ensure that the assessments carried out by the European Commission with Member States on implementation issues take the form of a routine audit programme of Member State control procedures.
- To improve the biennial reporting format to ensure detailed and standardised responses by Member States.
- To make these biennial compliance reports publicly available, as well as the results of the European Commission's audits of Member State implementation of the IUU Regulation, as is currently standard practice in the context of the EU hygiene legislative package.

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- To provide further precision to Member States, by way of guidelines, particularly with regard to the content and scope of obligations to check and verify catch certificates on the basis of risk management, including in relation to consignments in transit.
- To continue collaboration with EFCA to encourage implementation of the guidelines on application of a risk management approach across the Member States.
- To disclose the action plans provided to third countries during the carding process, following publication of the pre-identification decision in the EU's Official Journal. Additionally, we would recommend periodic publication on the specific steps taken by third countries that have resulted in the maintenance/withdrawal of the card.
- To require the submission of up-to-date lists of licensed vessels by third countries as this is an obligation stated under the IUU Regulation, and endeavours to ensure these lists remain up-to-date, and in the interest of transparency and in view of ongoing legislative processes such as the new Fishing Authorisation Regulation (FAR), are made publicly available.

The Chair asked the members for comments and suggestions.

ADEPALE suggested 4 amendments:

- Page 1, sentence “the establishment of this IT system should be an urgent priority for the European Commission”, the word “urgent” should be deleted as stress should be made on the robustness of the system rather than speed of its establishment.
- Page 2, first paragraph, not only MAC and LDAC, also Member States should be consulted.
- Page 2, third paragraph, wording “suspicious consignments” should be redrafted in a more neutral way.
- Page 3, “official guidance” – ADEPALE asked for a definition of ‘official guidance’; saying that if it was official, it would effectively be mandatory rather than guidance, and if it was not mandatory then it should simply be referred to as ‘guidance’.

Visfederatie suggested to add a new opening paragraph acknowledging the progress that had already been made in order to set a more positive tone to the advice. A draft had been submitted to the secretariat in advance to reflect this:

“The IUU regulation has been in force since 2010. It is unique in its kind and has made the EU the worldwide front-runner in the fight against IUU fishing. After six years of implementation its positive contributions to the improved sustainability of fisheries in third countries have become visible and the LDAC/MAC welcomes the Commission’s efforts to prevent IUU illegal catches from entering the EU market.

While the MCS systems under the IUU regulation are working, there is still room for improvement in certain areas of the implementation, which would further strengthen the regulation’s effectiveness.”

FRUCOM asked whether it would be better to refer directly to the source of information from licenced vessels in third countries.

WWF replied that under the IUU Regulation third countries were already required to submit these lists, but this was not enforced at this point: not many countries have submitted their lists, we therefore recommend the Commission to follow up on this.

EAPO said they were happy with the work done EU and suggested we followed the format used by LDAC.

CFFA stressed that these kind of requests related to IUU are becoming an important part of the SFPAs when it comes to the sectoral support, which means there already are efforts going in the direction of this recommendation.

The Chair asked members to provide any further comments on the draft to the Secretariat. The Chair also agreed with ADEPALE on the need to clarify the status of the guidelines.

ADEPALE repeated that regulations and recommendations have a recognised official status of binding and non-binding secondary law, whereas the guidelines do not have an exactly defined status.

KFO suggested to find an easy method to work considering this action involves 2 Advisory Councils.

LDAC Secretary General, Alexandre Rodriguez, said it was very positive the Task Force was set up that quickly. In terms of procedure the draft was sent to LDAC Working Group 5 that gave positive feedback. LDAC said the input from MAC was needed before their Executive Committee in Paris on May 30, where the opinion should be adopted. Alexandre also asked that the name LDAC is added next to MAC in the first paragraph.

The Chair suggested that the Secretariat and the Task Force should work together to produce a further version of the draft and submit it to LDAC ideally by May 30. Adoption within MAC would be by written procedure given the timing constraints.

- **EC update on Trade Agreements between EU and third countries**

Mr. Joao Nunes from DG MARE, Unit B3, gave an update on the current situation of EU trade agreements.

Mr. Nunes informed members that the European Court of Justice published the decision on the EU-Singapore trade agreement saying that it cannot, in its current form, be concluded by the EU alone, because some of the provisions envisaged fall within competences shared between the EU and the Member States, namely on portfolio investments and on dispute settlement between investors and states: it follows that the free trade agreement with Singapore can, as it stands, be concluded only by the EU and the Member States acting together.

Mr. Nunes proceeded with the update:

- Japan: last negotiating round took place during the week of April 3 in Tokyo. Negotiations are at a very advanced stage.
- Mercosur: the situation is complex, next round of negotiations will take place in July.
- Mexico: the FTA is in force and currently under modernisation, next negotiating round will take place this week in Mexico.
- Chile: the FTA is in force, negotiations to modernise the agreement are expected start later this year.
- Canada: the CETA was ratified by the European Parliament and the provisional implementation will take place soon. The EU is awaiting Canada to ratify it.
- USA: TTIP is in the freezer, pending policy clarification from the US.
- Indonesia and Philippines: progress has been achieved, though both negotiations are at an early stage.

- Australia and New Zealand: impact assessment has been concluded, the Commission is waiting to be given mandate to start negotiations, and expects to do so after summer.
- ACP countries: agreements in force for West Africa: Ivory Coast, Ghana; Central Africa Cameroon; Eastern and Southern Africa: Mauritius and Seychelles, Zimbabwe and Madagascar. East African Community: Kenya has already ratified its agreement, Rwanda has signed. All the EAC members will discuss the signature of the

EPA in the next EAC Summit to consider how to move ahead as a region. Pacific: Papua New Guinea and Fiji are in process of implementing their agreements.

Complete overview of last updates on FTA and other trade negotiations published by the Commission in ANNEX III.

Mr. Nunes added that FTAs aimed at including references to sustainable management of fish stocks, international rules to comply with, and prohibition of fisheries subsidies that might contribute to overcapacity, overfishing and IUU, in line with the UN Sustainable Development Goals. The prohibition of harmful subsidies is currently being negotiated in the WTO, where the EU presented a fair and balanced proposal, but we also try to include such provisions in the FTAs.

The Chair asked whether it would be possible to provisionally apply the FTA, despite this ruling.

The Commission informed that it was too early to say what the consequences of this ruling would be, but CETA had gone through.

ADEPALE asked about the agreement with Morocco.

The Commission informed that after the Court of Justice ruling on Western Sahara the situation was being analysed by the legal services and DG TAXUD. The implementation of this court ruling was still under review.

FRUCOM asked if there was a date for the implementation of CETA and an update on the implementation of combined nomenclature.

The Commission said it was aware of the difficulties in the implementation of the combined nomenclature and that it was in close contact with DG TAXUD on this issue: the Commission should be able to provide members with an answer soon. On CETA, the ratification in Canada is expected during the summer. There is no precise date on the application yet.

BUNDESVERBAND DER DEUTSCHEN FISCHINDUSTRIE UND DE FISCHGROSSHANDELS E.V., regarding the issue of combined nomenclature, said two scientific names had been changed but these changes were not reflected in the TARIC system.

The Commission said this is rather an issue of labelling, and not an issue related to imports and TARIC. The Commission attracted the Member States' attention to the possible conflicts between scientific names in the lists of commercial designations and taric, but it repeated these were two separate issues.

BUNDESVERBAND DER DEUTSCHEN FISCHINDUSTRIE UND DES FISCHGROSSHANDELS E.V said they did not mention labelling: the TARIC system is based on scientific names when it comes to some products and the nomenclature will have to reflect this change. BDFE repeated that only after this adjustment could we speak about labelling. Nomenclature has to be addressed first and its adaptation to the new scientific names (Alaska Pollock and Redfish).

KFO requested information on any advances in fisheries under the Japan agreement.

CFFA inquired on the future of EPAs. CFFA said ACP conference would take place in September where the post-2020 or post- Cotonou Agreement status of EPAs would be discussed. CFFA asked DG MARE's point of view on this and the best way to deal with these agreements in reference with aspects such as promotion of human rights, sustainability, level playing field and environment.

Regarding Japan, the Commission said that items related to fisheries are at an advanced level but that “nothing is solved until everything is solved”. The Commission could not give details at this stage as topics are interconnected, and not fully concluded yet.

Regarding EPAs, the Commission said the current mandate was to negotiate these within their current framework: it is still early to comment on the future of FTAs.

- **EC Presentation Eurobarometer study on EU consumers habits**

Ms. Chiara Bacci, DG MARE, Unit Economic analysis, markets and impact assessment gave a presentation on “*EU consumer habits regarding fisheries and aquaculture products*” and summarised the outcomes of the expert group meeting held on the 22 February 2017. Presentation in ANNEX IV.

FEDEPESCA asked what the difference between a fish monger and specialist shop and the market was.

The Commission said some in some countries the two could coincide but they often differ.

The Chair said this point brings the obvious diversity in the market, with clear geographical differences, and wondered whether, given the diversity of markets across Europe, it was possible to formulate a uniformed common policy.

WWF asked how many people cared about the sustainable sourcing of the fish products.

The Commission said it had not asked this question this time around, as this had already been asked in the past. The accent was put on how much the consumer reads the label and if they feel they need specific information on the package of the product.

VisNed commented there are a lot of consumers that buy their products merely judging by appearance and price: asking whether we want a sustainably harvested product is different to asking whether we want to pay a little more for that sustainable product. The consumer will mostly buy according to price. We are blackmailed by the supermarkets that require us to be MSC certified, as if it were the only way to guarantee sustainability. There is a part of our produce that we cannot sell for this reason.

MSC said they did a similar survey with a different scope and methodology and came to similar results to those of the Commission, but with more detailed findings on the issue of sustainability and to what extent this was or not an issue for the consumer. They would like to present these results during the next WG2 meeting.

Chair said this would be a useful contribution.

IFPEA asked if questions were structured in relation to the demographic criteria and if there are conclusions on the evolution of consumers’ behaviour, specifically when it comes to a young consumer and whether they would follow in the footsteps of their elder or not.

The Commission said that data they obtained can be used to make exactly these or any other correlations. The Commission itself had not done this analysis.

- **Brexit: WG2 perspective**

The Chair introduced the topic briefly referring to the formal notification on the article 50 by the British government, the negotiating guidelines set by the European Council, further guidelines from the European Commission and the coming elections in the UK: formal negotiations have not started yet, and particularly in fisheries, nothing is yet in the public domain. The point is on the agenda for the members to discuss the role of this working group in connection to this topic. There clearly will be consequences to the market dynamics and trade flows.

Guus Pastoor, President of MAC, said the point was put on the agenda of all 3 WGs to decide whether there was a role MAC should play in this debate.

The Fish Producer Organisation said quality information on trade issues was not there: trade flows are not necessarily reflected in the figures reported to the Commission. This WG should sense check the figures.

The Pelagic Fisheries Trawler Association said we had to accept this was a highly political matter: MAC is an advisory body, and politics is best left to parties specifically designated for this. We gave as much information as we could to the negotiators, but we are not currently in any kind of a dialogue with them. Commission should inform us on whether it needs advice on this from us and in which shape or form.

LIFE agreed with the previous speaker and asked who an eventual position or advice would be for, DG MARE or another EU institution, and what response could there be, given that the Commission is not in position to comment on the issue.

The Chair stated this is a unique situation and underlined The Fish Producer Organisation comments on figures and trade flows saying that it would have to be a decision of the Commission whether MAC would be the appropriate body for this.

FRUCOM said the views of the stakeholders are very valuable and saw a possible joint opinion as something positive: we should influence the negotiations somehow. FRUCOM supported a joint position as a cooperative body, given that all stakeholders had approached the European Commission on their own already.

KFO said we should look at this from the remit of MAC. These negotiations have enormous implications and will affect everyone. MAC is also a body of 28, whereas the EU is a negotiator of 27 Member States. KFO said MAC would need to examine how we are going to operate in a post Brexit situation, but this would depend on the outcome of the negotiations. If we were to get a common database that would be great, but data produced here individually would not be accepted as official, neither by the Commission nor the Member States. KFO said MAC should not get involved, they do not see it as a role of this advisory council.

Seafish and VisNed asked whether MAC was requested to give opinion on Brexit by the Commission or by a Member State.

The Chair and the Secretariat confirmed MAC was not requested to do so. The Chair mentioned that, generally speaking, MAC should not only have a reactive role.

The Commission confirmed that no request had been made to the MAC and recommended members not to concentrate efforts on this item, unless asked to do so.

The Chair concluded there was no immediate active role for this working group.

- **AOB**

Seafish requested a presentation on IUU for the next meeting.

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BUNDESVERBAND DER DEUTSCHEN FISCHINDUSTRIE UND DES FISCHGROSSHANDELS E.V. requested a presentation on the nomenclature of scientific names for the next meeting.

End of the meeting

ANNEX I ATTENDEES

| Organisation | Representative |
|---|--|
| AIPCE | Marco Baldoli |
| CEP | Andrew Kuyk |
| ADEPALE | Pierre Commerce |
| ANCIT | Giorgio Rimoldi |
| ANFACO | Jose Carlos Castro Neila |
| ARVI-OPPC3 | Purificación Fernández Álvarez |
| BUNDESVERBAND DER DEUTSCHEN FISCHINDUSTRIE UND DES FISCHGROSSHANDELS E.V. | Matthias Keller |
| CFFA | Béatrice Gorez |
| CONXEMAR | Marta Llopis Katarina Sipic |
| Denmark Permanent Representation | Tea Risom |
| Danish Society for a Living Sea | Erik Bjørn Olsen |
| EAPO | Emiel Brouckaert |
| EMPA | Bruno Guillaumie |
| EuFishMeal | Jonas Sørensen |
| EUROPECHE | Massimo Bellavista Ante Ivcevic Daniel Voces |
| FEAP | Arnault Chaperon |
| FEDEPESCA | Maria Luisa Alvarez |
| Federación Provincial cofradías de pescadores de Lugo | Carmen Abad |
| FRUCOM | Anna Boulova |
| Good Fish Foundation | Christine Absil |
| IS&WFPO - Irish South and West Fish Producers Organisation | Patrick Murphy |
| KFO | Sean O'Donoghue |
| Les Pecheurs de Bretagne | Yves Foezon |
| LIFE - Low Impact Fishers Europe | Brian O'Riordan Claudia Orlandini |
| MSC | Hans Nieuwenhuis |
| Org. de Productores Pesqueros de Lugo (OPP-7-LUGO) | José Manuel F. Beltrán |
| Pelagic Freezer-Trawler Association | Gerard van Balsfoort |

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| Puerto de Celeiro S.A. -OPP77 | Eduardo Míguez López |
| Scottish Fishermen's Organisation | Paul Macdonald |
| The Fish Producer Organisation | Jane Sandell |
| VisFederatie | Guus Pastoor Anne-Marie Kats |
| VisNed | Pim Visser |
| WFF | Eszter Hidas |
| Observers | |
| Isabelle Thomas's Office (MEP on Fisheries Committee) | Alexandre Questel |
| Spain- Secretaría General de Pesca | Francisco de Borja Carmona |
| Spain MAPAMA | Carmen Rodriguez |
| EFCA - European Fisheries Control Agency | Signe Aaskivi |
| Others | |
| Secretariat of the MAC | Sandra Sanmartin Jessica Demblon Despina Symons |