

MINUTES

Working Group 2: EU Market

Wednesday 18th of January 2017
11:30h – 13:00h

Business Europe – Europe Room, Av. de Cortenbergh 168
1000 Brussels, Belgium

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

Attendees (ANNEX I) were welcomed by the Chair, Mr Andrew Kuyk.

The draft agenda was agreed.

- **Election of Rapporteur**

Following a call for volunteers, it was agreed that the representative of Conxemar would take on this role.

- **Presentation of Work Programme**

The Chair invited comments from the European Commission and stakeholders on the following draft work programme, which had been prepared as part of the formal application procedure for the establishment of the MAC:

1. *Supply (annual status and trends)*
2. *Trade with third countries: Community Custom Code, General System of Preferences (GSP), Free Trade Agreements, Economic Partnership Agreements, World Trade Organisation*
3. *Monitoring of community imports and tariff situation, regulation of suspension and tariff quotas for fishery and aquaculture products*
4. *Promoting social and environmental aspects of the international trade in fishery and aquaculture products.*
5. *Analysis of consumption trends*
6. *Price developments ‘from sea to table’ (from the fisherman to the consumer) - Studying market efficiency and diversity in the Member States, inter alia, using data from EUMOFA.*

1. Supply (annual status and trends)

The Commission said they had two main priorities for 2017:: improving EUMOFA and further development of the internal market. Work would continue on improving EUMOFA by increasing its coverage of Member States and data, improving the quality of the data and producing analyses that are more market-relevant and adapted to users’ needs. The Commission acknowledged that there were gaps in EUMOFA as it stood, particularly as far as the geographical coverage of the dataset for some stages of the supply chain and considered that the meeting was a good opportunity to hear the Working group’s views on the overall effectiveness and usefulness of the tool and where and how it could be improved. Examples were lack of data from fisheries-relevant-countries, where assistance was being given to national administrations to solve these issues, and the quality of data and their relevance.

The Commission went on to outline its aims in relation to market development, citing the final report on consumer trends ‘*EU consumer habits regarding fishery and aquaculture products*’ which they felt contained valuable insights

for the sector on what might be done. An Expert Group for Markets and Trade in Fishery and Aquaculture Products would take place on the 22 February 2017, from 09:30 to 18:00 to discuss this in more detail.

The Commission was also planning to launch a study on the functioning of the internal market. This was expected to identify the market's bottle necks, loopholes and barriers. The work is at an early stage. The Commission said it would share the findings and methods it intends to use throughout this study with the MAC.

Discussion:

The AIPCE representative queried whether EUMOFA was a suitable tool for companies to use to develop commercial strategies in the market. He considered that there are issues over the confidentiality of market sensitive information and the need for competitive differentiation in customer propositions. These are essentially business issues for individual companies to manage.

KFO felt that EUMOFA would have to be able to make analyses of the whole chain in order to provide the necessary transparency. Data also had to be accurate and reliable and the EUMOFA analyses fit for purpose. KFO thought that WG2 could do a lot of work to help in this.

The Chair drew attention to the AIPCE-CEP_ annual Finfish Study which reported data from the processing sector on market supply, including coefficients to convert whole fish to product equivalents, essential to a proper understanding of price formation and trade flows. One possibility might be to work with both this annual report and EUMOFA to avoid any duplication of work and data.

Mr. Guus Pastoor commented that there had been a certain alignment between these two tools and that AIPCE CEP could provide data to the European Commission. Mr. Pastoor suggested that other stakeholders could do the same. There would however still be technical issues in respect of conversion factors and other specialised and potentially sensitive information.

LIFE thought that combining both sets of information in a single tool might be counterproductive, as both EUMOFA and AIPCE CEP reports had different strengths. EUMOFA was used to disaggregate data, whereas the AIPCE CEP report gave an overview of aggregated data.

AIPCE noted that this reflected the different aims behind the two reports

The Chair concluded that while the two reports may have different audiences, they had the same basis in terms of data. The Chair accordingly proposed the creation of a specific task force that would work with the European Commission on this issue, and brainstorm what would be feasible and how to carry out the work.

The Commission recalled that its primary responsibility was to further the aims of the Common Market Organisation. In that context a task force or a delegated group had the potential to improve market intelligence. But this would need to be taken forward quickly in order to provide input to the work programme 2017. Ideally concrete proposals for such a group would be needed by the end of January. On the issue of data privacy, the Commission was not seeking access to commercially sensitive information, but did need to understand underlying market drivers especially in relation to managing issues like a level playing field and transparency. The data on consumers, available at Eurobarometer, was for all companies to use, since not everyone had the capacity or opportunity to carry out their own research. . It was important for information to be generally available and as comprehensive as possible to assist in the implementation of the CFP, CMO and EMFF. Collaboration with different market actors could play a key role in this.

The Chair asked the Commission to provide information on what exactly they were already doing so that the members could identify their relevant experts. The MAC would then stand ready to meet in any format to help work on market intelligence and EUMOFA.

The Commission responded that they would present details of their work during the Experts group for Markets and Trade in Fishery and Aquaculture Products on the 22 of February. The Commission also agreed to give a presentation of the study on EU consumer habits regarding fishery and aquaculture products during the next meeting of the WG2.

2. Trade with third countries: Community Custom Code, General System of Preferences (GSP), Free Trade Agreements, Economic Partnership Agreements, World Trade Organisation

The Commission presented its objectives in relation to the work trade, which was being led by Mr. Christian Rambaud, who was unfortunately not able to attend the meeting in person. These were:

1. Finalise the trade agreements with Japan and Canada.

On Japan the Commission said that the fisheries chapter had been closed and the overall text of the agreement was in its final stages. The Commission's objective was now to speed up the conclusion of negotiations.

2. Focus on the modernisation of the association agreements with Chile (Commission plans to start with this in the second half of the year) *and Mexico* (second round of negotiations took place in November 2016 and the third round is planned for March 2017 in Buenos Aires).

3. Continue working on the Free Trade Agreement with Philippines (where a negotiating round is planned for mid-February 2017, but will depend on the political situation in the country) *and Indonesia* (where a negotiating round is planned in January 2017).

4. Start negotiations with Australia and New Zealand

The Commission also plans to work on Korea in 2017 and needs to prepare a consolidated EU position on this country with regards to trade.

Other activities included preparation of the next COFI meeting on fish trade and following progress on the WTO subsidies proposal with the view to reaching agreement. The Commission also planned to attend the Ministerial Conferences of the WTO in Argentina, in December 2017.

In addition the Commission intended to monitor the state of play of supply of fisheries products' from third countries.

3. Monitoring of community imports and tariff situation, regulation of suspension and tariff quotas for fishery and aquaculture products

The Chair raised the issue of implementation of the new Union Customs Code, adopted in 2013, which came into force from May 2016. There were concerns that some of the new requirements in the regulation were disrupting supply to the market. This also had implications for the existing autonomous tariff quotas system. There was an urgent need for practical solutions to ensure that processors were able to benefit from the tariff concessions which the Council had agreed. Raw material supply to the industry was a legitimate issue for the Working Group, whether or not under formal trade agreements.

Discussion:

CFFA drew attention to the report done by the Council on the *Cumulative economic impact of future trade agreements on EU agriculture*, and asked if the Commission thought it would be useful to do a similar study for the fisheries sector.

AIPCE asked for an overview on Economic Partnership Agreements with specific emphasis on rules of origin to be provided at the next meeting.

FRUCOM asked for information on the agreement with Vietnam and its implementation timetable. It also requested clarification regarding possible overlapping of mandates of both the MAC and the Expert Group for Markets and Trade in Fishery and Aquaculture Products, in order to clarify how these two bodies should work together. Finally FRUCOM asked how Brexit would influence trade policy.

In response, the Commission confirmed the Chair's understanding that discussion of the implications of Brexit was premature as the UK was still a full member of the EU and had not yet made any formal notification of withdrawal

On other points raised, the Commission said all questions would be forwarded to the respective unit for answers. Regarding the question on the Expert Group, the Commission explained that this was a forum which included Member States as well as industry stakeholders. It was therefore different and distinct from the MAC. But there was no reason why the two groups should not work effectively in parallel. They were certainly not mutually exclusive.

4. Promoting social and environmental aspects of the international trade in fishery and aquaculture products

The Commission explained that FTAs were comprehensive in nature and covered all relevant aspects of sustainability.

CFFA raised the specific case of the Philippines which LDAC was already examining.

The Commission said it had made any specific study of preferential access, but had carried out a mapping exercise to establish what arrangements were already in place.

5. Analysis of consumption trends

The Chair emphasised the central importance of consumer perceptions of the industry in terms of markets and consumption. This was particularly relevant to the reputational issues around sustainability, including the implementation of CFP reforms such as the landing obligation. Although these were not directly covered by the remit of this Working Group, they were nevertheless integral to its work. Similarly issues such as health and nutrition had a direct bearing on purchasing decisions. The Group therefore potentially had a role to play in respect of promotional activities and other related provisions in the EMFF.

The Commission agreed that the health debate was important and commanded growing public and media attention. The MAC was an important forum to discuss ways to promote the overall sustainability of fisheries.

Discussion:

ANFACO-CECOPESCA and Fedepesca supported the need for more to be done to promote seafood products to increase the consumption of fish.

AIPCE pointed out that under EMFF promotional programmes were only eligible for funding if they qualified as sustainable, though there was not clear definition of what this meant or the criteria that had to be met. It would be helpful if the Commission could provide some clarification.

Seafish also asked for clarification on the criteria applicable to programmes like H2020, or the use of DG Agri or other programme funds that might be accessible and relevant for the fisheries sector.

Fedepesca felt more support was needed for promotional activities, especially around the health advantages of eating seafood, for example in the context of a healthy Mediterranean diet.

CFFA thought that more needed to be done to incentivise investment by fishermen in making their activities more sustainable, as the benefits accrued to wider society rather than the individual making the actual investment.

In response, the Commission said that second axis funding was available to help counter declining consumption of seafood.

On the definition of sustainability in relation to EMFF criteria,, the Commission said it would ask the unit concerned to provide greater clarification. It should however be borne in mind that EMFF was only able to cover generic promotion of fisheries products and not any specific brands.

The Chair introduced a presentation on the ***Implementation of import controls under the EU IUU Regulation - A review of progress by NGO coalition*** (Environmental Justice Foundation (EJF), Oceana, The Pew Charitable Trusts, and World Wide Fund for Nature) (ANNEX II)

This was followed by an opportunity for questions and discussion.

Reference was made to the work already being done by the LDAC in this area and their recent position paper. It was generally agreed that it would be helpful for the MAC to issue something on similar lines. WWF offered to take the lead on drafting something suitable.

CFFA asked for more detail about the context of the study in order to assist understanding of the data provided in the presentation.

Polskie Stowarzyszenie Przetworcow Ryb (PSPR) queried the reference to pelagic landings in Las Palmas in 2010. This was not well founded and gave a potentially misleading impression.

CFFA supported the PSPR intervention and said it was not an issue that the LDAC had commented on.

The Commission reminded the meeting that the remit of the Working Group was essentially concerned with market issues rather than enforcement and that a wider discussion of IUU compliance was not necessarily appropriate.

However the Chair felt it was legitimate for the Group to comment on issues which impacted the overall reputation of the sector and hence consumer perceptions of what they should or should not purchase.

Ms Victoria Mundy, who gave the presentation on behalf of the NGOs, said that more specific data would be available in a broader study to be published in the coming months, which is based primarily on information reported by member states in their biennial reports under the IUU Regulation. The study considers the flag State of origin of catch certificates for imports to the EU and whether exporting third countries have been “carded” under the Regulation as a broad indication of the IUU fishing risk associated with trade flows.

It was **agreed** that WWF would prepare an opinion on behalf of MAC and that this would be subject to Excom approval via written procedure.

- **Other Business**

ANFACO-CECOPESCA raised the importance of a level playing field in the EU market as an issue that the Group should keep under review.

- **Date of Next Meeting**

The Chair said this would need to be decided in the light of the broader MAC work programme and would be communicated to members in due course.

ANNEX I

Organisation	Representative
Adepale	Pierre Commere
AIPCE-CEP	Marco Baldoli, Andrew Kuyk, Pierre Commere
ANFACO-CECOPECA	Jose Carlos Castro
CFFA- CAPE	Beatrice Gorez
Conxemar	Katarina Sipic, Marta Llopis
Copa-Cogeca	Pietro Gentiloni, Paolo Tiozzo
EAPO	Emile Brouckaert, Pim Visser
EBCD	Rocio Suarez, Despina Symons
EMPA	Karine Berger
ETF	Sammy Deburggraeve
EU IUU Coalition (Observer)	Victoria Mundy
EUfishmeal	Anne Mette Baek Jespersen
Eurocommerce	Adela Torres, Lorena Torrecillas
European Commission	Ramune Genzbigelyte-Venturi, Carola González Kessler, Chiara Bacci, Christophe Vande Weyer, Mirko Marcolin, Frangiscos Nikolian
Europeche	Daniel Voces de Onaíndi
FEAP	Arnault Chaperon
FEDEPESCA	Maria Luisa Alvarez XXXX
FPO	Jane Sandell
FRUCOM	Anna Boulova
KFO	Sean O'Donoghue
LIFE	Claudia Orlandini, Brian O'Riordan
Living Sea	Erik Bjorn Olsen
Ministry of Poland Maritime Economy (Observer)	Monika Kołodziejczyk
Ministry of Poland Maritime Economy (Observer)	Piotr Słowik
MSC	Victor Simoncelli
Oceana	Agnes Lisik
OPEGUI	Miren Garmendia
OPP-07-Lugo	Jose Beltran
PSPR	Jarek Zielinski
Puerto de Celeiro OPP-77	Eduardo Míguez
Seafish	Cristina Fernandez
Secretariat	Sandra Sanmartín
Spain MAPAMA (Observer)	Carmen Rodriguez
Spanish Ministry of Agriculture & Fisheries (Observer)	Aurora de Blas
Visfederatie	Guus Pastoor
VisNed	Pim Visser
WWF	Eszther Hidas

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ANNEX II

Please find the presentation [here](#).