



WORKING GROUP 2 – EU MARKET

Katrin Poulsen

Vice-Chair

Online (Zoom)

Friday, 26 March 2021

AGENDA (CET TIME ZONE)

- 14:00 Welcome from the Vice-Chair, Katrin Poulsen
- 14:05 Adoption of the agenda and of the last meeting's minutes (29.01.21)
- 14:10 Code of Conduct for responsible business and marketing practices
- 14:40 Contingency Plan for Ensuring Food Supply and Food Security
- 15:00 Trade
- 15:30 Brexit
- 16:00 Illegal, Unreported and Unregulated fishing (IUU)
- 16:35 AOB
- 16:40 Summary of actions points

16:45 End of the meeting

ACTION POINTS (29 JANUARY 2021)

Brexit:

- With coordination from WG2 and the Executive Committee, working groups to identify key market and trade priorities to be addressed in a future advice
- Questionnaire circulated to WG2 members

Contingency Plan for Ensuring Food Supply and Food Security:

- WG2 to follow-up on upcoming public consultation
- Presentation, exchange of views & way forward included on the draft agenda

Sustainable Fisheries Partnership Agreements (SFPAs):

- Chair and Secretariat to prepare questionnaire to the members concerning the Roadmap on the evaluation exercise
- Depending on the replies to the questionnaire, Chair and Secretariat to prepare draft advice for consideration through written procedure
- Questionnaire circulated to WG2 members
- Advice adopted on 9 March 2021

CODE OF CONDUCT FOR RESPONSIBLE BUSINESS AND MARKETING PRACTICES

➤ Presentation of initiative by Commission representative

- Henk Westhoek (SANTE.DDG2.D.1)

➤ Presentation by Task Force member

- Todor Ivanov (Euro Coop), Task Force Vice-Chair & Rapporteur of the 1st Thematic Chapter on Sustainable Diets

➤ Exchange of views & way forward

- Process of development formally launched on 26 January 2021
- Signature & endorsement by interested parties in June 2021

CONTINGENCY PLAN FOR ENSURING FOOD SUPPLY AND FOOD SECURITY

➤ Presentation of targeted consultation

- **Advice on Commission's Roadmap (22 January 2021) – Recommendations:**
 - Importance of seafood supply chain for supply and security
 - Public support measures to face ongoing COVID-19 pandemic
 - Creation of a permanent forum for coordination, including stakeholders
 - Implement considerations for effective EU food crisis preparedness and response mechanism
 - Development of a set of broad guidelines and recommendations to improve coordination at EU and Member State level
- **Feedback to Commission's Roadmap:**
 - 66 replies + MAC's advice

CONTINGENCY PLAN FOR ENSURING FOOD SUPPLY AND FOOD SECURITY

- **European Commission (DG AGRI)'s Public Consultation**
 - Feedback period: 1 March to 3 May 2021
 - DG AGRI letter + DG MARE email encouraging participation (17 March)
- **Food security in the EU**
 - Overall resilience of the EU's food system
 - Main five threats to EU food security
 - Stages of the supply chain most vulnerable to threats
 - Most vulnerable food sectors to threats
 - Effects of changes, trends and perspectives in the EU's food system

CONTINGENCY PLAN FOR ENSURING FOOD SUPPLY AND FOOD SECURITY

- **Lessons learned from the COVID-19 crisis – early stages**

- Resilience of the EU's food system
- Assessment of the resilience of the EU's food system
- Usefulness of measures by public authorities (protection of single market, financial support to sectors, legislative flexibility, food supply chain interventions, safety)
- Useful measures by the private sector
- Further measures that could have been taken by the EU
- Legal, technical, or other barriers to the private sector
- Measures for EU to be better prepared for possible future crises

CONTINGENCY PLAN FOR ENSURING FOOD SUPPLY AND FOOD SECURITY

- **Preparation for crises and future crises management**
 - Most useful further actions by the EU to be better prepared
- **National and international preparedness for food crises**
 - Preparation of regions, countries, EU, and international community
- **EU Food Crisis Contingency Plan**
 - Relevance of elements for the EU food contingency plan

CONTINGENCY PLAN FOR ENSURING FOOD SUPPLY AND FOOD SECURITY

➤ DG AGRI's Main next steps (indicative)

- Q1-Q2 expert groups meetings – monthly (up to Summer)
- Q2 : JRC technical workshop
- Market Observatories, CDGs, and other consultative bodies
- Ad hoc meetings
- Q4 2021: F2F Communication and Staff Working Document

➤ Exchange of views & way forward

- Submission of MAC feedback to targeted consultation?
- Drafting of MAC advice on the topics of the targeted consultation?
- Encouragement of individual feedback by MAC members?

TRADE

➤ Presentation of EU-Colombia/Ecuador/Peru FTA evaluation

■ Trade Agreement:

- FTA with Colombia and Peru since 2013, Ecuador joined in 2017
- Gradually opens up market on both sides
- Increase stability and predictability of trade and investment environment
- “New Generation” FTA – liberalisation of trade in goods and services, plus investment, public procurement, competition, intellectual property rights, sustainable development

■ Evaluation of the Agreement:

- Study currently under way to analyse economic, social, human rights (including labour rights) and environmental impacts.
- To identify areas of strong performance + opportunities to improve

■ Survey:

- Seeks inputs to the evaluation study

TRADE

■ Survey - Questions

- Awareness of the agreement
- Operational objectives and implementation
- Economic, social, environmental, human rights impacts

➤ Exchange of views & way forward

- Submission of MAC feedback to targeted consultation?
- Drafting of MAC advice on the topics of the targeted consultation?
- Drafting of MAC advice on other seafood market topics?
 - Liberalised products, fisheries provisions, fisheries management, rules of origin, adherence to international agreements, IUU fishing, labour rules
- Encouragement of individual feedback by MAC members?

TRADE

➤ Presentation of latest trade developments

- **Stronger EU trade enforcement rules – EU's Trade Enforcement Regulation:**
 - Empower EU to act in WTO & FTA when trade dispute is blocked despite the EU's good faith effort to follow dispute settlement procedures
 - Expansion of scope and possible trade policy countermeasures to services & IPR
- **Additional efforts:**
 - Appointment of Chief Trade Enforcement Officer
 - Creation of new Directorate in DG TRADE for enforcement, market access, SMEs
 - Establishment of Access2Markets tool
- **Communication on Trade Policy Review**
- Achieve European Green Deal objectives
- Removing unjustified trade barriers in the digital economy
- Reinforcing its alliances + stronger focus on neighbouring countries and Africa
- More assertive approach towards the implementation and enforcement of its trade agreements, fighting unfair trade and addressing sustainability concern

BREXIT

➤ Identification of key market and trade priorities for future advice

- Advice to COM - Commitment under Work Programme for Year 5
- Inter-AC meeting: 22 February 2021
- Secretariat's Questionnaire: 17 – 24 March 2021

BREXIT - QUESTIONNAIRE

1. From a seafood market and trade perspective, do you welcome the EU-UK Trade and Cooperation Agreement?

- Fischverband: Overnight presentation of TCA with short notice of implementation surprised most operators (e.g., rules of origin). Only products caught or raised in UK or EU are free of tariffs. Up to 25% tariffs. Traditional export flow will suffer.
- ADEPALE: Welcomes the agreement. Trade is facilitated, when compared to no-deal. Duty-free trade will be facilitated for both exports and imports.
- OPP Lugo: No-deal would be economically harmful. Importance of maintaining catch activity as close as possible to status quo, guaranteeing the activity of EU vessels and allowing access to the common market from UK vessels.
- Conxemar: For breaded products, only fish was included in the duty-free list. Cephalopods, prawns, among others pay tariffs. Code 160554 (Roman ring) and 160540 (breaded shrimp) should be reviewed. Duty-free export of shellfish is beneficial for processors.
- ANFACO: TCA is a balanced solution to regulate trade. Incorporation of duty-free access, in compliance with rules of origin. Raw material must originate in EU or UK, with some exceptions. Brexit led to some border complications and slowdown in historic trade flows.

BREXIT - QUESTIONNAIRE

2. From a seafood market and trade perspective, how was your sector impacted?

- Fischverband: Due to lack of fish from EU and UK sources, it is impossible to meet rules of origin for products traditionally exported to UK. Trade disruption. Loss of market share for EU processors and traders, possible loss of EU employment. Very high increase in administrative burden – lack of infrastructure for processing statement. Conditions for validation varies across MS. Management of documents not clear.
- ADEPALE: Rules of origin are essential – not particularly difficult to comply with. These should be adapted for certain products. Procedures to declare origin are simple from an administrative perspective. Administrative constraints are heavy for health certificates and catch certificates
- OPP Lugo: Added difficulty to operational issues. Greater administrative burden for landings in UK ports. For trade purposes, documented as import activity. Time and costs of health certificates, catch documentation, etc. Difficulties in initial implementation due to different legal interpretations, plus different criteria in UK ports.
- Conxemar: Almost all products made from non-EU raw materials now have UK tariffs. Administrative burden increased significantly, without even including all documentation.
- ANFACO: Uncertainty for operators due to new processes and administrative burdens. In first months, inconsistencies in interpretation and application, mainly for IUU documentation. Supply possibilities for EU industry to export duty-free to UK market have changed, due to “wholly obtained” criteria. Export possibilities are limited. UK’s Agreements with other third countries provide more supply possibilities. Competitive advantage for these third countries. Greater complexity for EU companies due to customs procedures. Commission should review functioning of procedures with MS, and, when appropriate, UK.

BREXIT - QUESTIONNAIRE

3. Do you believe that the Brexit Adjustment Reserve provides adequate support for EU seafood market operators?

- Fischverband: No with respect to the processing industry.
- ADEPALE: No general opinion on this. Additional measures do not appear necessary.
- OPP Lugo: Reserve is necessary and essential. EU companies have to be compensated for loss of activity and income. Additional measures may be necessary, due to lag in agreement of allocations between MSs, and within the different sectors of each MS.
- Conxemar: N/A
- ANFACO: Appropriate that there is a mitigation mechanism to mitigate the impact of Brexit on the sector. There should be greater transparency about how this support is articulated, who are the beneficiaries, what measures are incorporated.

BREXIT - QUESTIONNAIRE

4. Are there areas where the EU should seek harmonisation of rules?

- Fischverband: Any harmonisation will be welcomed.
- ADEPALE: Important to assess whether there is interoperability of traceability systems allowing similar information to be transmitted between UK and EU operators. For labelling and consumer information, no (subsidiarity). For marketing standards, it could be advantageous for certain products, on a voluntary basis via international standardisation.
- OPP Lugo: Harmonisation of rules is necessary. The level-playing-field must be taken into account. Not possible to act in the same market with different rules – global issues, such as social, labour, etc.
- Conxemar: The more harmonisation, the better.
- ANFACO: It would be desirable to avoid a disharmonisation of the regulations, maintaining standards similar to those of the EU, in order to avoid the establishment of technical barriers to trade.

BREXIT - QUESTIONNAIRE

5. Taking into account that UK Overseas Countries and Territories (UK OCTs) are no longer associated with the EU, should the EU envisage measures to mitigate potential harmful effects to the EU's processing industry?

- Fischverband: To supply the UK market, the rules of origin need to be amended in a way, that the processing in a n EU member states qualifies for tariff free exports regardless the origin of the processed raw material.
- ADEPALE: When necessary, the ATQs regulation should be adjusted to allow adequate supply to the EU processing industry, including from UK overseas countries and territories that are no longer associated with the EU.
- OPP Lugo: Possible impacts should be studied.
- Conxemar: Depends on the impact of each ATQ. Case-by-case study.
- ANFACO: Necessary to seek measures to mitigate the negative effects of the new framework of trade relations between the EU and the Falkland Islands.

BREXIT - QUESTIONNAIRE

6. Do you have specific views on the role, composition and functioning of the Specialised Committee on Fisheries?

- Fischverband: A link with the AC could be positive for monitoring in close relation further developments on both sides.
- ADEPALE: N/A
- OPP Lugo: The participation of all and the global composition of public and private representatives of all parties must be guaranteed (Member States, regional and local administrations, Fisheries sector,...) It would also be important to coordinate all this participation with the Advisory Councils, as advisory entities of COM and in which different actors already participate.
- Conxemar: N/A
- ANFACO: It should have a balanced representation of all stakeholders.

BREXIT – IMPORT OF LIVE UNPURIFIED BIVALVE MOLLUSCS FROM UK

➤ AAC Letter (15 March 2021)

- Impossibility to export live bivalve molluscs from the UK to EU Member States from B and C health zones.
- AAC encourages MAC to intervene with COM to re-examine the process.
- Draft advice prepared based on AAC letter, in case members agree with its contents.

ILLEGAL, UNREPORTED AND UNREGULATED FISHING (IUU)

➤ Presentation of report on Flags of Convenience

- Sophie Nodzenski, Senior Campaigner, EJF

➤ Exchange of views & Way Forward



AOB, ACTION POINTS, END OF MEETING

➤ **AOB**

➤ **Summary of action points**

➤ **End of meeting**