

## Working Group 2: EU Markets

### Minutes

Tuesday, 25 January 2022 (14:30 – 18:00 CET)

Zoom (Online)

Interpretation in EN, ES, FR

#### Welcome from the Chair, Pierre Commère

Click [here](#) to access the Chair's presentation.

**Adoption of draft agenda and of the last meeting minutes (20.09.21):** adopted

#### Action points of the last meeting

- **State-of-play of the decision made during the last meeting - information**
- Trade:
  - Questionnaire to be circulated to the members on market access conditions under the EU-Ukraine FTA
  - Based on the replies to the questionnaire, draft advice to be prepared and considered under urgent written procedure
    - Circulation of the questionnaire: 23 to 30 September 2021
    - Adoption by Executive Committee: 18 October 2021
- Fisheries Control Regulation:
  - Advice on the Fisheries Control Regulation to be sent to the Slovenian Presidency, and to be translated and sent to the French delegation of the Council
    - Advice sent to Slovenian Presidency and to French Presidency (via email)
- TRACES.NT System:
  - Written question to be submitted to DG MARE by email, on behalf of Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V.
    - Written question submitted on 11 October 2021
    - Reminder sent on 7 January 2022
- Technologies for the Transmission of Data in the Supply Chain:
  - Secretariat to work with NSAC and NWWAC Secretariats to reflect the working group's amendments in the final terms of reference of the webinar
    - Webinar's Terms of Reference amended accordingly
- Illegal, Unreported and Unregulated (IUU) fishing:
  - Agreed draft on flags of convenience to be put forward to the Executive Committee for adoption through written procedure
    - Adoption by Executive Committee: 8 October 2021
    - Reply from European Commission: 30 November 2021



## Sustainable Corporate Governance

- **Presentation of initiative**

The Chair explained that, when the draft agenda was prepared, there was the expectation that a legislative proposal from the Commission would already have been tabled. The adoption of the legislative proposal is still pending.

The Secretary General explained that the initiative is taking place in the context of the UN Sustainability Goals, the European Green Deal, the Circular Economy Action Plan, the Biodiversity Strategy, the Farm to Fork Strategy, and the Strategy of Financing Sustainable Growth.

The initiative aims to tackle the following problems: pressure on companies to generate financial return in a short timeframe and redistribute a large part of the income to shareholders; hampering of investment for sustainability transition, into productive facilities, innovation, upgrading and employee retraining, upskilling and reskilling; income inequality due to pressure to depress non-executive wages; impact on resilience of companies; companies not properly identifying and addressing climate change and other environmental, social, and human rights; failure to integrate potential new opportunities for investment / resilience; lack of coverage of the interest of other stakeholders, as a market failure; and the regulatory failure of a legal framework that lags behind the development of global value chains and corporate structures in the responsibility of limited liability companies for identifying and preventing harm in group-wide operations and production channels. There are also differing requirements among Member States.

The aims would be to embed sustainability in corporate governance framework, to establish longer-term time horizons in corporate decision-making, strengthen resilience and reduce adverse impacts, and legal certainty and a level-playing-field. In terms of policy options, the baseline scenario would be no policy change at EU level, so continuation of different Member State solutions. Short-termism is unlikely to decrease and there will not be sufficient integration. The other option would be a EU-level initiative. Companies would have to take measures to address adverse sustainability impacts (climate change, environmental, human rights, due diligence duties), plus performance standards. Directors would have to consider all stakeholders' interests relevant for longer-term sustainability (employees, environment, other stakeholders). Directors would define and integrate stakeholders' interests and corporate sustainability, risks, impacts and opportunities in the corporate strategy. There would be a facilitating, enforcement and implementation mechanism, including remediation. There could be other possible corporate governance arrangements, for example on directors' remunerations.

The Commission's roadmap provided a preliminary assessment of expected impacts. The economic impacts would be to set up due diligence procedures; the mitigation of adverse impacts and implementation of sustainability targets, which would have costs, depending on the sector and company size; positive contribution to productivity, profitability, and attractiveness of EU businesses; improvement of resilience; better level-playing-field in the EU market; increased investment in innovation, research and technology. There would be exemptions / simplifications for SMEs. The social impacts would be better quality of jobs, wages, work conditions, ending child labour, respect



for human rights; impact on employment levels in high CO<sub>2</sub>-emission sectors; initiatives to incentivise retraining and support; reduced inequality. The environmental impacts would be positive for fighting climate change, loss of biodiversity, use of resources, preventing pollution, reduce and managing waste, and fighting deforestation.

The Secretary General highlighted that the initiative is not specific to the fisheries and aquaculture sector. It is an initiative of DG JUST that will cover all economic sectors. There will be an impact on the fisheries and aquaculture value chain. The Commission already published a roadmap and a public consultation. The legislative proposal is not ready and will still undertake adjustments internally. The Commission expressed availability to present the proposal at a later stage.

- **Exchange of views & way forward**

The Chair highlighted that it is a wide-ranging initiative and that several of the topics have been addressed in the MAC at different occasions, for example on social and environmental sustainability, and on achieving a level-playing-field. The Chair highlighted that, following the adoption of the legislative initiative, there will be other opportunities to discuss it.

Julio Morón Ayala (OPAGAC) asked for more information about the timeline for the adoption of the legislative proposal.

The Secretary General explained that the legislative proposal was planned for adoption the previous year. According to information received, the proposal was not accepted by the Commission's scrutiny board. The Commission services will need to amend the proposal and submit it again to the scrutiny board before official adoption. Therefore, the timeline is unknown.

The Chair recalled that, according to the Work Programme of Year 6, once the legislative proposal is adopted, that the MAC should prepare advice on the topic.

### European Market Observatory for Fisheries and Aquaculture (EUMOFA)

- **Presentation of “The EU Fish Market” (2021 edition) by Commission representative**

Click [here](#) to access the presentation.

Christophe Vande Weyer (DG MARE) explained that the report is a comprehensive publication on market of fishery and aquaculture products in the EU, including the global dimension. The 2021 edition also includes a focus on the COVID-19 pandemic. In 2020 due to the closing of the HORECA sector, household expenditure on fishery and aquaculture products went up by 17% compared to 2019. By contrast, out of home consumption of processed fish dropped. Imports from third countries decreased by 2% in volume and 9% in value compared to 2019. There was a decrease for high value species connected to the closure of the HORECA sector. As a consequence, the trade deficit in 2020 was 10% lower than in 2019, 2 billion €.

In 2020, the COVID19 pandemic also led to a major drop of prices in crude oil, but prices went up the next year. The Union supply of fishery and aquaculture products for human consumption totalled 14.5



million tonnes of live weight, representing a 200.000 tonnes decrease compared to the previous year, mainly due to a decrease in catches related to lower quotas for herring in the Northeast Atlantic. Per capita consumption is estimated at 24Kg of live weight, mainly from wild caught products. In the EU28, landings were above 400 million tonnes.

Worldwide, in terms of main producers in 2019, the EU28 ranks in the fifth position. There an increased of aquaculture production led by seaweed production in China and Indonesia. Wild catches decreased, particularly due to a drop in catches in Peru. Only 22% of the EU's production originates from aquaculture. At global level, since 2013, aquaculture production exceeds wild fisheries production. Concerning the main trade flows of fishery and aquaculture products in 2020, the EU was the top trader. The main EU imports are salmon, cod, tuna, Alaska Pollock, fishmeal, and shrimps. The main EU exports are herring, mackerel, blue whiting, fishmeal, and fish oil.

In terms of EU supply balance, there is an apparent consumption of 12.30 million tonnes and a supply of 14.53 million tonnes. The self-sufficiency rate was of 41.2%, meaning that it is lower than in 2019. The negative trend reflects the decrease in catches and the increase of imports. Imports prevail for the most consumed species in the EU. When considering the top five most consumed species, the self-sufficiency rate is 15%. Regarding the per-capita consumption, in the EU28, the average is 24Kg per person. Portugal remains the biggest consumer at 60Kg per person. In terms of out-of-home consumption, the Member States surveyed, on average, 1.5% was organic products. The COVID-19 pandemic has less impact on organic products than on traditional products. In the past 10 years, the trade deficit went up 14% in real terms.

When comparing extra-EU imports of fish with meat, in 2020, the EU imported five times more fishery and aquaculture products than meat. Fishery and aquaculture products represent 14% of the EU's imports of agri-food products, while meat represents only 3%. In 2020, the EU imported 6.15 million tonnes, worth 24 billion €. More than  $\frac{1}{4}$  originates from Norway. Values decreased more than volumes mainly due to decrease in the most expensive species, which are consumed in the HORECA sector. In 2020, the EU exported 2.2 million tonnes, worth 7 billion €. In terms of intra-EU trade, these consisted mainly of exports of products originating in third countries, such as salmon, cod, shrimp, and tuna. In terms of landings, in 2020, 4 million tonnes were landed, worth 6.91 billion €. From 2018 to 2019, landings of several of the main commercial species dropped. The main reduction was the landing of sandeel in Denmark. Herring and blue whiting also saw reductions.

Concerning aquaculture production in the EU, in 2019, it amounted to 1.37 million tonnes, worth 5 billion €. During the past decade, the value increased, mainly due to increased production of high value species, such as salmon, seabass, and bluefin tuna. This was combined with a price increase of major species, such as salmon, scallops, gilthead seabream, oysters and clams. Price increases were partially connected to an increased in demand, but also related to other factors, such as higher quality of products, including organic products. There was an overall growth of the value of the EU's aquaculture production. Concerning the composition of farmed species in the EU-28, over the last decade, the species composition remained similar, but there were significant variations in the value structure. For salmon, the increase was due to a double in value in the UK. For trout, the value increased, but the share decreased to the increase in other species. The share of bluefin tuna increased due to exceptional trends in the Maltese production.



- **Exchange of views**

The Chair wanted to know more about the distinction of aquaculture products in exports, since trade nomenclature does not allow a clear distinction between fishery and aquaculture products. The Chair also wanted to know, concerning aquaculture production, if it was possible to distinguish between marine aquaculture and freshwater production.

Matthias Keller (Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V.), in relation to the per-capita consumption figures, requested for the Commission to check the value for Germany, since the value provided did not seem to be the most current one. It should be 14.3 Kg of live weight equivalent.

Christophe Vande Weyer (DG MARE) explained that, concerning the distinction between aquaculture and fishery production in trade, estimations are used. The estimates account for the nature of the products. It also takes into account the national statistics of the countries of origin, which allows an extrapolation for the EU's imports. The report's introduction provides an overview of the data used. Concerning the distinction between marine and freshwater aquaculture, Mr Vande Weyer explained that the report does not provide that distinction. The Commission took note of the corrected value for per-capita consumption in Germany, in order to update EUMOFA's information.

## EU Market Supply

- **Presentation of AIPCE-CEP's Finfish Study 2021**

Click [here](#) to access the presentation.

Mike Turenhout (Visfederatie) explained that the Finfish Study covered most of the same issues as the EUMOFA report, but with a greater emphasis on the relevance of imported products for supply. The aim of the study is to exemplify the need for imported seafood, particularly whitefish, in the production of added value within Europe. It also aims to provide more background information for EU policy, for example on Autonomous Tariff Quotas, free trade agreements, IUU fisheries, among other legislation.

In relation to EU supply, in 2020, the supply represented 14.3 million tonnes, of which 63%, 8.9 million tonnes, were imports. The available supply will go towards EU consumption, exports, and non-food use. 73% of the available supply will be used for EU consumption, representing 10.5 million tonnes. 18% will go third countries. In 2020, the average per capita consumption was of 23.5 Kg. The import dependency is normally between 61% and 63%. In 2019, it was 65% and, in 2020, reached 68.7%.

In relation to whitefish species in 2020, the supply of the most important whitefish species account for 3 million tonnes. Cod, with 1.1 million tonnes, and Alaska Pollock, with 0.9 million tonnes, are the most important based on weight. Pangasius is the most important farmed fish with 0.2 million tonnes. There was also an increase in the consumption of seabass and seabream. The most important whitefish species depend on imports. There are species fully dependent on imports, such as Alaska



Pollock, hoki, pangasius, and tilapia. The average self-sufficiency rate is around 9%. Between 2019 and 2020, the self-sufficiency rate of plaice dropped to 78%.

Concerning the origin of whitefish, the biggest volumes come from China, USA, Norway, and Russia. China and USA are the most important shipping countries, particularly frozen fillets, with 0.45 million tonnes and 0.44 million tonnes, respectively. Norway provided 0.39 million tonnes of fresh/frozen whole and dried/salted. Russia provided 0.31 million tonnes. Iceland provided 0.27 million tonnes, mainly frozen fillets. When accounting for the UK as a new third country, it provided 0.07 million tonnes, being the 9<sup>th</sup> country of importance. To meet the demand in the EU, it is important to have the raw material. The EU quota of whitefish species in 2020 was of 427.508 tonnes. The quotas are not fully used, meaning that there are still 138 thousand tonnes available to put in the market. Even if the EU quotas are fully utilised, there is still a very large gap to achieve self-sufficiency. The EU demand is 3 million tonnes and full use of potential is needed in growing global seafood demand. It becomes increasingly difficult to find raw material to maintain the EU's processing sector.

The study also provides information on other species, such as mackerel, shrimp, sea bass, salmon. As a summary, Mr Turenhout highlighted that the EU is the most important fish trading area worldwide, but consumption stagnates due to increased global competition. EU production is of high importance. However, TACs drop, and quota use is not optimal. It is necessary to consider how to optimise the production potential. The EU production is of high importance for the EU seafood market, but imports are essential to fulfil EU demand.

- **Exchange of views**

Pim Visser (VisNed) emphasised that, if there is available quota, but there are no landings, it means that fishers are unable to catch. Along the years, fishers continue to use the same fleet and try to best capture the allocated fish. Mr Visser expressed his personal perception that there is an influence of climate change, particularly in the North Sea's basin. The price of fish is acceptable, but fuel costs are increasing significantly.

Mike Turenhout (Visfederatie) responded that he did not believe that fishers were purposely underutilising quotas. It is necessary to analyse how to reach an optimal use of the quotas.

Christine Absil (Good Fish) wanted to know how the imports from China were calculated. Significant quantity of raw material is sent to China for processing. Ms Absil wanted to know if the whitefish coming from China had been caught by Chinese vessels or was mainly intermediately processed there.

Mike Turenhout (Visfederatie) explained that AIPCE-CEP uses the Eurostat's statistics, which is the same data used by EUMOFA. The data is based on the Custom Codes used. Mr Turenhout recognised that a significant amount of seafood undergoes 1<sup>st</sup> processing in China. After a certain value of processing, the non-preferential origin of the product changes to Chinese. The customs statistics consider it as Chinese export. As an example, merely filleting does not change the non-preferential origin.



Matthias Keller (Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V.) confirmed that it is mainly fish 1<sup>st</sup> processed in China. To reach the true origin of the products, other data, beyond Eurostat, would need to be used. In the case of Alaska Pollock, most of the Chinese imports are caught by Russia. Therefore, there is an underestimation of Russia.

Daniel Voces (Europêche), concerning imports, wanted to know if fish landed by the EU long-distance fleet was being accounted as imports. Depending on the port of landing, the origin may change. Concerning exports, Mr Voces wanted to know if there was distinction between exports to third countries and intra-EU trade. Mr Voces agreed with Mr Visser that EU policies should support the work of fishers. As an example, restrictions to the production of whitefish due to the use of specific gears does not go in the right direction. There should be a full utilisation of the EU quotas, which is not always possible due to climate change and the complexity of quotas distribution. EU policies should ensure a continuation of fisheries production in the EU in a sustainable manner.

Mike Turenhout (Visfederatie) agreed with Mr Voces's comment. Concerning exports, Mr Turenhout explained that the study accounts for third countries imports and exports, not intra-EU trade. Concerning the EU long-distance fleet, Mr Turenhout recognised that it is a long-standing discussion.

Matthias Keller (Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V.) responded that, according to the available sources, the flag determines whether it is import or it is landing. Therefore, EU vessels landing in a third country port is still landing EU products. In Mr Keller's view, these should be seen as imports since the capture took place outside the EU's territory. This would allow a level-playing-field in the analysis of the availability of fish. For certain species, most of the fish is coming from non-EU waters, regardless of the flag of the fishing vessel. There should be better awareness of the marine area where fish is captured.

The Chair highlighted that, for certain species, such as tropical tuna, the matter is particularly sensitive. In this case, EU fishing vessels often export to the country of landing, and eventually the products are reimported in the EU after local processing (canning or loining), benefitting from the rule of origin.

Yannis Pelekanakis (FEAP) emphasised that, in relation to meeting supply through imports, the problem for EU producers is the case of subsidised imports that do not respect trade rules, which jeopardises the level-playing-field. This situation prevents the EU production from increasing and better supplying demand.

The Chair recalled that, in 2019, the MAC adopted advice about the level-playing-field, which included case studies. The EU's trade mechanisms include anti-dumping and anti-subsidy rules against third countries.

João Nunes (DG MARE) underscored that the EU takes action against dumped exports, when there is proof of damage or injury to the EU's industry. In relation to the aquaculture industry, recently, as anti-subsidies and anti-dumping measures, the EU imposed duties on Turkey for seabream, seabass and rainbow trout. When there is evidence of those practices, the industry can gather that evidence



and present a complaint to the Commission. Mr Nunes expressed availability to provide the contact details of the responsible officials and to propose a presentation on the topic.

Yannis Pelekanakis (FEAP) emphasised his experience with the EU's trade mechanisms, adding that these have significant limitations. These do not provide lasting solutions for the problems.

The Chair commented that it could be a relevant topic for the Work Programme of Year 7.

### Trade Agreements & Trade Policy Instruments

- **Update on the work of the Focus Group on PEFCR for Marine Fish Products by Pedro Reis Santos, Secretary General Update on latest trade developments by Commission representatives, including on:**
  - **WTO negotiations on fisheries subsidies**

João Nunes (DG MARE) explained that there were expectations to reach an agreement in December 2021 during the WTO Ministerial Conference. There was significant preparatory work ahead of the meeting, in order to reach an agreement to ban harmful fisheries subsidies. Negotiations have been ongoing for 20 years. A draft agreement, with some pending questions, was prepared by the chair of the fisheries subsidy's negotiations. Unfortunately, due to the surge of the Omicron variant of the COVID-19 pandemic, flights from Africa were cancelled and the meeting was postponed.

Mr Nunes further explained that there was a loss of momentum for fisheries negotiations. There are other topics gaining relevance in the WTO, such as the intellectual property of vaccines. Some countries, such as India and South Africa, have stated that vaccines should be the priority topic. In the view of the EU, it is possible to work on different topics in parallel. Further progress will depend on the possibility of physical meetings. It was still unclear when these would be possible.

In terms of content, the EU disagrees with some of the elements, but recognises that the current draft is a major step forward. The draft reflects some of the EU's thinking that it is possible to provide subsidies with proper sustainable management of fisheries. There should be the right incentives for a move towards non-harmful subsidies, which has been the EU's policy in the past 20 years.

- **Revision of GSP Regulation**

Click [here](#) to access the presentation.

Kristiyana Kalcheva (DG TRADE) explained that EU imports from all GSP beneficiaries, in the past three years, represent 60 billion €. In 2020, there was a significant impact of the COVID-19 pandemic. The EU offers three types of agreements: the Everything But Arms (EBA), which covers 48 beneficiaries; the standard GSP for low and lower-middle income countries, which covers 10 beneficiaries; and the GSP+, which covers 8 beneficiaries.

In relation to imports, fishery and aquaculture products are on the top 5, but it is a fraction of the top performing product, which is textiles. The list of top beneficiaries reflects the importance of textiles.





India, Vietnam, Mauritania, Bangladesh, Senegal, Indonesia, and Sri Lanka are the top beneficiaries for fishery and aquaculture products.

The current GSP Regulation expires at the end of 2023. The Commission's proposal was adopted on 22 September 2021. Discussions are taking place with both co-legislators. Discussions achieved a good progress under the Slovenian Presidency. There is significant ambition from the French Presidency and the European Parliament's INTA Committee, to agree on their positions by March/April 2022. Ideally, there would be adoption by the Council and the Parliament before the end of the year, to allow sufficient transition time for businesses and beneficiaries.

The review of the GSP Regulation was guided by the three objectives of the previous one, which continued to be relevant, namely poverty eradication, avert harm to EU industry, and sustainable development. The proposal preserves the overarching logic and structure of the GSP regulation, but and proposes targeted changes for a modernised and predictable GSP. The GSP framework is successful. The proposal for a new GSP Regulation provides continuity, while aiming to fine-tune the functioning.

Ms Kalcheva provided an overview of the key features of the new proposal. In terms of arrangements and countries, the same 3-tier structure is maintained, as well as adjusted vulnerability criteria for GSP+ to ensure LDCs access, and a revised eligible country list.

- **EU-Ukraine Deep and Comprehensive Free Trade Agreement**

Pawel Szatkowski (DG MARE) explained that the process of renegotiation of market access with Ukraine started the previous year. Mr Szatkowski thanked the MAC for the advice on the topic provided on 18 October 2021, which was properly and fully reflected in the EU's position in a paper submitted to Member States at a meeting of November 2021. A preparatory meeting with Ukraine took place that month. There is disagreement on the trade data, especially concerning agricultural products, that needs to be exchanged before discussion on the requests. Ukraine has strong offensive interests regarding agricultural products. The Commission is asking for liberalisation of tariff lines for fishery and aquaculture products. No new meetings were scheduled. Further discussion with Ukraine is expected along the year.

- **Decision of CJEU on Morocco's trade preferences and SFPA**

Marta Moren Abat (DG MARE) explained that there are two court cases, which are quite similar. The case on trade preferences has impact on an agreed free trade agreement. In the case of the SFPA, there is an agreement and an implementing protocol. The implementing protocol will expire in July 2023. Therefore, it is necessary to assess how to implement the judicial decision and the implementation of the SFPA. On 14 December 2021, the Commission submitted an appeal to the decision of the General Court of Justice. Two days later, the Council also submitted an appeal. The documents are available on the website of the Court of Justice. While a decision on the appeal is pending, the trade preferences and the SFPA continue to be implemented. The Commission is assessing how to support the EU fisheries industry in relation to the SFPA.



The Chair asked for confirmation that the decision of the General Court of Justice was not applicable.

Marta Moren Abat (DG MARE) responded that, while the appeal is taking place, the decision of the General Court of Justice would not be implemented.

- **Presentation of report of Initial Focus Group on Trade by Poul Melgaard Jensen, FG Chair**

Click [here](#) to access the presentation.

Poul Melgaard Jensen (Danish Seafood Association) recalled that the report of the Initial Focus Group on Trade was sent to Working Group 2 on 10 January 2022. In accordance with the Terms of Reference, the aim of the Focus Group was to review available information on existing trade policy instruments and their impact through imports on the EU market of fishery and aquaculture products. The purpose was to collect data on imports in the frame of various trade policy instruments and to contribute with factual information to the development of advice on trade policy instruments.

The report is divided in three parts. Part 1 lists data and information sources on data considering the relative importance of imports and EU production. Data from AIPCE-CEP's Finfish Study and from DG MARE and DG TRADE are used. Part 2 lists individual trade instruments within five overall groups. For each instrument, species, products, and conditions for market access are provided. SFPAs are also included, even these are not technically a trade measure. Part 3 aimed to combine both parts through a selection of eight species, to show the significance of individual trade instruments. It was concluded that such data was not available. DG TRADE provided data on Preference Utilisation Rates (PUR) on the share of the import for which preferential trade instruments have been applied. The report lists all available trade instruments. The report does not provide recommendations on trade policy or on trade agreements. Nevertheless, the group identified limitations in the available data. Recommendations are put forward to make data sets and statistics more complete, to improve future recommendations on trade policy.

In terms of conclusions and recommendations, firstly, under SFPAs, EU vessels catch outside EU waters, but it is not clear how much of the supply enters local markets and the EU. Datasets and calculations are missing and needed to get a complete picture and account for all sources to the EU market. Secondly, current trade data sources do not allow for separate statistics on wild catch and aquaculture, which is relevant distinction for many issues, such as IUU, food safety, and social standards. Thirdly, current data sets do not allow listing for individual trade instruments according to their relative importance for supplying the EU market. The "PUR" only shows how one overall group of instruments are utilised. Such data is important for providing qualified advice on the impact of trade policy instruments and advice in public consultations on trade agreements launched by the Commission. Fourthly, there are questions of consistency on the live weight conversion rates. Fifthly, DG TRADE's yearly report on trade agreements does not provide any separate analysis and data specific for seafood.

Mr Melgaard Jensen thanked DG MARE and TRADE for the dialogue and the valuable input provided during the Focus Group's work.



- **Exchange of views & way forward**

Sean O'Donoghue (KFO) thanked the Focus Group for the excellent work, in line with the Terms of Reference. Mr O'Donoghue emphasised the importance of the conclusions and of draft recommendations based on these. Before proceeding with discussion on trade policy, it is fundamental to have a good data set.

Yannis Pelekanakis (FEAP) expressed agreement with the recommendations and the findings. Mr Pelekanakis wanted to know if it was possible to add information about trout, seabass, and seabream. These three species are amongst the most important for EU aquaculture production. Production of these species suffered significantly from the EU's trade policy, particularly the Customs Union with Turkey. There are trade instruments to defend the level-playing-field, but these do not provide a long-standing framework. These instruments only provide temporary solutions. Since 2018, the Commission has allowed the situation to continue for trout.

Poul Melgaard Jensen (Danish Seafood Association) explained that, in Part 2 of the report, all trade instruments are listed, including the anti-subsidies measures against trout from Turkey.

Mike Turenhout (Visfederatie) stated that it was possible to include the three suggested species in the report. Mr Turenhout explained that the Focus Group selected the main eight species based on import volume.

Yannis Pelekanakis (FEAP) recognised that, in the context of whitefish, these are not the main species. Nevertheless, the three species are significantly affected by the EU's trade policy. EU production of seabass and seabream remains stable, while, in the past ten years, imports increased above 220%. EU trout production remains generally stable, while imports from Turkey increased 80%. Even with the use of anti-subsidies measures, it was still not possible to safeguard a level-playing-field. Since 2015, there are countervailing duties, but the subsidies programmes continuously change to avoid these duties. These legal instruments have a significant cost for EU producers, which are mainly composed of SMEs. The report should demonstrate the need for long-lasting solutions.

The Chair highlighted that the report of the Focus Group was of a technical nature, focusing on statistics and available data.

Mike Turenhout (Visfederatie) expressed availability to include the three species in the report. Mr Turenhout added that, at a later stage, it could be useful to have the discussion on policy.

Yannis Pelekanakis (FEAP) argued that it was important to demonstrate the impact of import facilitation under existing trade policy instruments for those species.

Sean O'Donoghue (KFO) emphasised the importance of preparing a draft advice based on the report's conclusions.

The Chair, as a conclusion, stated that an updated version of the report will be circulated; based on the conclusions, a draft advice will be prepared.



## Sustainable Fisheries Partnership Agreements (SFPAs)

- **Presentation of evaluation report by Commission representative**

The Chair recalled that, in March 2021, the MAC adopted advice concerning the trade perspective of SFPAs. The Commission's external consultant has concluded the evaluation study.

Marta Moren Abat (DG MARE) explained that, in December 2020, the Commission launched a study on the features, content, implementation, results and impacts of SFPAs. The study was based on desk work, analysing the documents available and feedback from public and targeted consultations. The consultant's study was delivered in December 2021. In 2022, the Commission will work on a Commission Staff Working Document evaluating the SFPAs and using as baseline the evaluation study, ex ante and export evaluations, and other available material. The consultant's study will be made publicly available.

Ms Moren provided an overview of the main results of the study. In terms of relevance, SFPAs meet the needs of the CFP, third countries and the long-distance fleet. There is a network of dormant agreements. In some cases, the EU fleet is not allowed, even though competing fleets are allowed in the third countries' waters. More work is needed to meet the needs of partner countries. In terms of effectiveness, SFPAs adapt to fishing opportunities measures and sustainable fisheries. More work is needed to develop capacities in third countries and for job creation. In terms of coherence, there is alignment with EU interventions, including trade. Improvements are possible in relation to marine and ocean governance policy. In terms of acceptability, there is positive public perception, but frequently there is misinformation about the agreements.

Ms Moren mentioned the areas of improvement identified by the study: development of a strategic vision on the SFPAs, for example on dormant agreements and the exclusivity clause; the definition and concept of SFPAs, taking into account governance and technical conditions; coordination of instruments and policy coherence; implementation of SFPAs, for example on monitoring and social conditions; amplify the use and impact of the sectoral support; and broaden the governance framework and the sectoral support, for example on sanitary conditions, landings, and trade flows.

Ms Moren outlined the calendar of the preparation of the Commission Staff Working Document. In the first quarter of 2022, there will be an analysis of the study and, specifically, of its conclusions and the input from key stakeholders. The Commission will consider the targeted consultations done in 2021, but also remain open to further exchanges with stakeholders, including with the MAC. In mid-2022, there will be the first results. At the end of 2022, there will be the publication of the Commission Staff Working Document. The document will be one of the key inputs of the report on the functioning of the Common Fisheries Policy, which will be published by the end of 2022.

- **Exchange of views & way forward**

The Chair emphasised the importance of the trade and market perspective on SFPAs, for example on landings and supplies, considering that the EU is a deficit market on fishery and aquaculture products. SFPAs are potentially an important supply for EU operators and consumers.



Marta Moren Abat (DG MARE) mentioned that additional elements on landings could be useful to link the consultant's study and the Commission Staff Working Document. Ms Abat expressed the Commission's openness to receive additional input from the MAC and other stakeholders, in order to improve the functioning of SFPAs.

### Illegal, Unreported and Unregulated (IUU) Fishing & Global Governance

- **Proposal of collaboration concerning entry of IUU products in Outermost Regions by Daniela Costa, CCRUP Secretary General**

Click [here](#) to access the presentation.

Daniela Costa (CCRUP), as an introduction, provided an overview of CCRUP and the artisanal fisheries taking place in the outermost regions. Ms Costa explained that formal and scientific data is missing concerning the market of IUU fishing products in the outermost regions, but that CCRUP members report several cases that require further attention. According to information provided by the Regional Committee of Maritime Fisheries and Marine Cultures (CRPMEM) of French Guyana, illegal fishing from neighbouring countries, namely Brazil, Suriname, and Guyana lead to illegal trade. Legal fishing products in French Guyana face illegal competition from foreign operators. These can be considered IUU due to being caught by non-authorized vessels or due to the use of fishing gear that is not in line with regulations, for example they don't use turtle excluder devices (TEDs).

Ms Costa emphasised that products from French Guyana face unfair competition at two levels. Firstly, on the local market, due to illegal and unregulated sales of fish and shrimp, and sales outside legal resale points and circuits. Secondly, in the export market, sales of IUU fishing products, including costal fish, shrimp, and red snapper (*Lutjanus purpureus*). In the territory of French Guyana, there are problems with sales of costal fish and red snapper by persons without legal authorisation. There are also problems with the sale of shrimp taken from shrimp boat operators.

In the international market, the problem mainly relates to the sale of costal fish and shrimp in the West Indies, which was illegally caught in the waters of French Guyana. There are also problems with imports of products that do not meet the EU's labelling regulations. In 2012, IFREMER published a report about foreign illegal fishing in French Guyana. Furthermore, in 2014, the bladder of Red Coupa (*Cynoscion acoupa*) was worth 60€ per Kg, while it is currently worth more than 170€ per Kg in the Asian market. These prices have attracted clandestine fishers from Brazil and Suriname, which often operate armed in French Guyana's waters. Illegal fishing is a recurring problem in French Guyana. In the context of the COVID-19 pandemic, illegal fishing increased since French authorities had difficulties in carrying out inspections.

The report of IFREMER indicates that 2/3 of the catch of costal fish in French Guyana is taken by IUU fishing operators from Brazil, Suriname, and Guyana. This situation leads to overfishing of the resources. According to the Commission's report "realising the potential of the Outermost Regions for sustainable blue growth", there are significant illegal catches by the Brazilian fleet in the eastern part of French Guyana's waters, estimated at 4.000 tonnes by local experts. According to FAO, the problem of IUU fishing in French Guyana can be explained by the disparity in fishing capacity with



neighbouring countries, such as the fleets of Guyana, northern Brazil, and Suriname, which are far superior to the fleet of French Guyana. In 2021, IUCN assessed the Red Coupa as vulnerable, since there is no resource management, which contributes to IUU fishing. IFREMER recently announced that a new study on illegal coastal fishing in French Guyana should be undertaken in collaboration with Member States, WWF, and CRPM. The results of the study should be available in June 2023.

In the market of the French West Indies, it is possible to find fish exported by French Guyana's neighbouring countries that was illegally caught in French Guyana's waters. While not being able to prove the illegal origin, it is possible to see that labelling of the products in the market does not comply with the EU's legislation. These products do not provide the scientific name, the FAO area, or the production method. In 2020, there was an injunction to the Prosecutor's Office of Martinique by Agromer, an association of fish processors from French Guyana. The case is still pending.

Ms Costa emphasised the urgent need to collect more recent data and to provide clarification to the described issues. Operators of French Guyana have been raising these issues for many years. Ms Costa expressed the CCRUP's willingness to work together with the MAC to develop joint recommendations to the European Commission and Member States on the market of IUU fishing products.

- **Exchange of views & way forward**

The Chair expressed satisfaction that the CCRUP, as a regional fisheries Advisory Council, was willing to work together with the MAC on market issues. The Chair highlighted that many of the issues raised were not a problem of regulatory framework, but of fraud and illegal actions. The Chair encouraged the CCRUP to continue to share information about IUU fishing products in other outermost regions.

Daniela Costa (CCRUP) explained that this topic was raised by the CRPMEM of French Guyana at the September meeting of the CCRUP's Working Group on IUU Fishing. Ms Costa expressed willingness to maintain collaboration with the MAC concerning the market of IUU fishing products.

The Chair expressed availability for the adoption of joint recommendations on market topics. Considering the local expertise, it would be easier for the CCRUP to initiate the work, which can later be considered by the MAC.

### Technologies for the Transmission of Data in the Supply Chain

- **Reporting on joint MAC/NSAC/NWWAC webinar on blockchain and other new technologies for the transmission of traceability information and other data in the seafood supply chain (2 December 2021) by Pedro Reis Santos, Secretary General**
- **Exchange of views & way forward**

The Chair recalled that the joint MAC/NSAC/NWWAC webinar took place in December 2021. A report of webinar was circulated. As stated by the Chair of the MAC in the conclusions, the transmission of traceability information is a complex matter. Blockchain technology requires significant databases and does not necessarily provide assurance on the quality of the data. The Chair highlighted that the



working group should determine whether it was worth it to develop advice on the webinar's topics. The Chair asked the Secretary General about whether the NSAC and the NWWAC showed interest in the development of advice.

The Secretary General responded that, according to information provided by the NWWAC Secretariat, the NWWAC did not feel it was necessary to proceed with the development of advice. At that time, there was no information available from the NSAC.

The Chair asked members for their views on the relevance of drafting advice on the topic.

Sean O'Donoghue (KFO) argued that the report of the webinar was sufficient. The webinar clarified several key issues on blockchain and other technologies. Therefore, it was not necessary to proceed with the drafting of advice.

Guus Pastoor (Visfederatie) expressed agreement with the previous speaker, highlighting the quality of the webinar report. Therefore, it was not necessary to draft advice. If relevant, the MAC could come back to the topic later.

## AOB

- **EU Taxonomy for Sustainable Criteria**

Jennifer Reeves (MSC) recalled that, at the 19 January 2022 Inter-AC meeting, DG MARE provided an update on the expert group established to develop screening criteria for fisheries activities, in the context of the EU Taxonomy Regulation adopted in 2020. Ms Reeves informed that her organisation responded to the Commission's consultation, which took place in 2021. Their response provided comprehensive background information, including a comparison with CFP requirements. In their response, MSC expressed concern about the lack of transparency in the drafting process. Other MAC members, such as Europêche, expressed similar concerns. Following the consultation, the Commission restarted the expert group, but she was not aware of a new public call for experts. Ms Reeves wondered if there were other members working the EU taxonomy initiative. The Commission's intention is to redraft the criteria, since the previous version contained many inconsistencies with the CFP Regulation. The new draft text is expected later in 2022. Two delegated acts are expected to be adopted in early 2023.

The Secretary General explained that the EU taxonomy is a classification system to incentivise investment in sustainable activities. The Commission will review the draft criteria for fisheries activities. The Advisory Councils have been incentivised to provide advice on the draft criteria. The Secretary General suggested to include the topic on the draft agenda of the next meeting and to invite the Commission to present and exchange views on the topic. At that time, it should be easier to understand members' interest on the topic. The working group could also start drafting advice or wait for the publication of the delegated acts.



Jennifer Reeves (MSC) highlighted that the screening criteria will essentially define what a sustainable fisheries activity is. As an example, these will be used by investment banks to drive investments in sustainable fishing activities. In the view of MSC, under the first draft, no EU fisheries would meet the criteria. There were also doubts about how the criteria would be applied and audited.

Sean O'Donoghue (KFO) emphasised the importance of the topic for the MAC, taking into account the link between financing of the sector and the sustainability of fisheries. Mr O'Donoghue agreed that it would be useful to include the topic on the draft agenda of the next meeting.

- **Impact of DG SANTE's decisions on trade**

Matthias Keller (Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V.) highlighted that a recent decision of DG SANTE was having a negative impact on trade. His association contacted DG SANTE directly in writing. Mr Keller requested that, if no response is received, then the topic should be included in the draft agenda of the next meeting.

The Chair commented that a recent decision on the approval of plans submitted by third countries to monitor certain substances and residues in live animals and animal products was creating problems for the sector and preventing trade. The Chair agreed that, if there was no response, the topic should be included in the draft agenda of the next meeting.





## Summary of action points

- Initial Focus Group on Trade:
  - Report to be completed with additional species: trout, seabass, and seabream.
  - Based on the report's conclusions, draft advice to be prepared.
- EU Taxonomy for Sustainable Criteria:
  - Topic to be included in the draft agenda of the next meeting.
- Sustainable Fisheries Partnership Agreements (SFPAs):
  - Topic to be included in a future draft agenda, once the consultant's report and the Commission Staff Working Document become publicly available.
- Illegal, Unreported and Unregulated (IUU) Fishing & Global Governance:
  - Maintain cooperation with CCRUP concerning the market of IUU fishing products in the Outermost Regions, including potential consideration of a joint draft advice.



## Attendance List

Representative	Organisation	Role
Agnieszka Korbel	WWF	Member
Alexandra Philippe	Market Advisory Council	Secretariat
Alexandre Rodríguez	Long Distance Advisory Council (LDAC)	Observer
Anna Boulova	FRUCOM	Member
Annelie Rosell	Swedish Pelagic Federation Producer Organisation (SPFPO)	Member
Benoît Guerin	BG Sea Consulting	Observer
Benoît Thomassen	Federation of European Aquaculture Producers (FEAP)	Member
Bruno Guillaumie	European Molluscs' Producers Association (EMPA)	Member
Carla Valeiras Álvarez	EuroCommerce	Member
Catherine Pons	Federation of European Aquaculture Producers (FEAP)	Member
Christine Absil	Good Fish	Member
Christophe Vande Weyer	European Commission	Expert
Daniel Voces	Europêche	Member
Daniel Weber	European Fishmeal	Member
Daniela Costa	Outermost Regions Advisory Council (CCRUP)	Observer
Eduardo Míguez López	Puerto de Celeiro (OPP77)	Member
Franciscos Nikolian	European Commission	Expert
Garazi Rodríguez	Federation of European Aquaculture Producers (FEAP)	Member
Georg Werner	Environmental Justice Foundation (EJF)	Member
Guus Pastoor	Visfederatie	Member
Ignacio Fresco Vanzini	Oceana	Member
Javier Ojeda	Federation of European Aquaculture Producers (FEAP)	Member
Jennifer Reeves	Marine Stewardship Council (MSC)	Member
Jens Mathiesen	Danish Seafood Association	Member



Representative	Organisation	Role
Jérémie Souben	Fédération des Organisations de Producteurs de la Pêche Artisanale (FEDOPA)	Member
João Nunes	European Commission	Expert
José Basilio Otero Rodríguez	Federación Nacional de Cofradías de Pescadores (FNCP)	Member
Juan Manuel Trujillo Castillo	European Transport Workers' Federation (ETF)	Member
Julio Morón Ayala	Organización Productores Asociados Grandes Atuneros Congeladores (OPAGAC)	Member
Karolina Majewska	European Commission	Expert
Katarina Sipic	EU Fish Processors and Traders Association (AIPCE) / European Federation of National Organizations of Importers and Exporters of Fish (CEP)	Member
Kristiyana Kalcheva	European Commission	Expert
Laura Rull	Spain	Observer
Maria Luisa Álvarez Blanco	Federación de Asociaciones Provinciales de Empresarios Detallistas de Pescados y Productos Congelados (FEDEPESCA)	Member
Marta Moren Abat	European Commission	Expert
Matthias Keller	Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V.	Member
Miguel Lizaso	European Commission	Expert
Mike Turenhout	Visfederatie	Member
Mirta Novak	Croatia	Observer
Nicolás Fernández Muñoz	Organización Productores Pesqueros Artesanales Lonja de Conil (OPP72)	Member
Pablo Iraeta	Spain	Observer
Patrick Murphy	Irish South & West Fish Producers Organisation (IS&WFPO)	Member
Pawel Szatkowski	European Commission	Expert
Pedro Luis Casado López	Asociación de Armadores Punta del Moral (OPP80)	Member
Pierre Commère	Association Des Entreprises de Produits Alimentaires Élaborés (ADEPALE)	Chair
Pim Visser	VisNed	Member
Poul Melgaard Jensen	Danish Seafood Association	Member



Representative	Organisation	Role
Roberto Carlos Alonso de Sousa	ANFACO-CECOPESCA	Member
Rosalie Tukker	Europêche	Member
Santiago Folgar Gutiérrez	Asociación de Volaneros del Cantábrico Noroeste (AVOCANO)	Member
Sean O'Donoghue	Killybegs Fishermen's Organisation (KFO)	Member
Sergio López García	Organización de Productores Pesqueros de Lugo (OPP-07-LUGO)	Member
Stylios Filopoulos	Aquaculture Advisory Council (AAC)	Observer
Thomas Kruse	Danish Fishermen P.O.	Member
Tuure Eskelinen	EuroCommerce	Member
Yannis Pelekanakis	Federation of European Aquaculture Producers (FEAP)	Member
Yobana Bermúdez	Asociación Española de Mayoristas, Importadores, Transformadores y Exportadores de Productos de la Pesca y Acuicultura (CONXEMAR)	Member
Zarah Bellefroid	European Association of Fish Producers Organisations (EAPO)	Member

