



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR MARITIME AFFAIRS AND FISHERIES

The Director-General

Brussels,
MARE/C5/EL (2021)

Dear Mr. Pastoor,

Thank you for your letter on 11 June 2021 regarding issues relating to the withdrawal of the United Kingdom from the European Union.

I am grateful for your very comprehensive assessment of the various trade and market issues that concern your members following Brexit. In that vein I would like to address the specific recommendations you set out for my services.

Brexit was always going to lead to changes for our seafood sector, all along the supply chain. I concur that our ability to conclude an agreement with the UK was good for our sector, even though the late agreement did cause some uncertainty. I am also pleased to see that the protracted annual consultations on fishing opportunities reached a positive conclusion, which should provide further sustainability, stability and predictability.

As far as the impact of Brexit on EU operators is concerned, let me recall that as part of its mission to provide market intelligence to stakeholders, DG MARE, through its market observatory (EUMOFA), monitors and analyses market developments at EU and global level. In that framework, the UK is one of the three third-countries (with Norway and Iceland) that provide weekly and monthly data on volumes and values of first sales to EUMOFA, allowing thereby a close follow-up of market trends.

Regarding the potential need for additional bilateral derogations on rules of origin for specific products, especially those traditionally exported to the UK; it should be noted that the TCA contains the EU standard rules of origin for fishery products accompanied with certain flexibilities both in the product specific rules and in the form of origin quota derogations. The agreement only foresees bilateral cumulation. Any EU requests for further derogations or extension of cumulation might only be addressed through a renegotiation of the existing deal.

You recommend to **urgently review the functioning of the new administrative procedures with Member States** on trade and customs related issues and, when appropriate, bilaterally with the UK, in order to ensure coherence in the interpretation and implementation of administrative, logistical, and sanitary requirements as well as lower administrative burden on operators. Let me tell you that DG MARE is working

closely with other relevant Commission's services (DG TRADE, DG TAXUD) and with concerned Member States, so as to possibly alleviate the administrative burden falling on the operators under the TCA. We are also grateful for the input received from the EU businesses reporting about the new challenges.

In relation to the Brexit Adjustment Reserve, you recommend to ensure clarity and transparency in the aid provided, while also encouraging a swift adoption and allocation of support where genuinely needed as well as a low administrative burden, and the adoption of measures that meet the needs of the seafood supply chain. We have two main objectives with the Reserve: on the one hand, to ensure the effective and timely use of funds to mitigate the Brexit impact; on the other hand, to make sure that the funds are used in full respect of the objectives of the CFP and notably prevent harmful fisheries subsidies. These objectives governed our positions in the final stage of negotiations towards the adoption by the Parliament and the Council of the Regulation establishing the Reserve.

Since the measures financed under the Reserve will have to comply with State aid rules, the Commission services already provided the Member States (on 3 March 2021) with guidance on the types of aid measures that may be considered in this context.

According to the guidance, the Commission services will tend to view favourably, inter alia, aid to operators (in the meaning of the CFP Regulation), which depend on raw material that can no longer be supplied due to Brexit. In such cases, temporary liquidity, which can be granted from 1 January 2021 until 31 December 2022, could facilitate the transition during the time needed to find alternative suppliers or to implement other structural measures.

You also recommend to monitor regulatory developments in the UK and cooperate to avoid major and unjustified regulatory divergence in areas that impact the seafood supply chain, such as labelling, consumer information, and marketing standards. Let me tell you that DG MARE closely monitors possible changes in the UK market regulatory framework that would affect EU traders. For the time-being, official indications from the British government to the attention of the industry on labelling and marketing standards applicable to exports of fishery and aquaculture products for human consumption to the UK are still fully in-line with EU legislation.

You recommend, taking into account that UK OCTs are no longer associated with the EU, to analyse the negative impacts to the EU industry and undertake measures to allow adequate supply of raw material for the industry. Please note that the Commission submitted a proposal to the Council in view of addressing the issue of loss of preferential treatment of Patagonian squid from the Falklands through an autonomous tariff quota (ATQ). It should be noted though that the validity of the quota will be limited by the validity of the current ATQ Regulation – until the end of 2023. Longer-term solutions will still need to be assessed.

You request to clarify the role, composition and functioning of the Specialised Committee on Fisheries, while ensuring broad and balance representation of stakeholders, including cooperation with the Advisory Councils. As you are aware, during the first half of June the EU and UK convened its first meeting of the Partnership Council. This now paves the way for the setting up of the Specialised Committee on Fisheries. We are preparing, with the UK delegation, with a view to hold a first meeting with the UK before the summer break. In addition to discussing and agreeing tasks and agendas for 2021. We will also need to consider the composition of delegations. As

mentioned at the inter-AC meeting in May, we will need to discuss with the UK how we assure stakeholder involvement in the work of the Specialised Committee. I will keep you fully informed on the latest developments in this regard.

Let me thank you once again for your advice and your continued commitment to working on these very important issues. I am looking forward to our continued fruitful cooperation. Should you have any further questions on this reply, please contact Ms Pascale COLSON, coordinator of the Advisory Councils (Pascale.COLSON@ec.europa.eu; +32.2.295.62.73), who will forward it to relevant colleagues.

Yours sincerely,

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