Market Advisory Council

Working Group 2: EU Markets

Draft Minutes

Tuesday, 2 April 2024 (09:30 – 13:00 CET)

Zoom

Interpretation in EN, ES, FR

Welcome from the Chair, Pierre Commère

Click here to access the Chair's presentation.

Adoption of the agenda and of the last meeting's minutes (30.01.24): adopted

Action points

- **State-of-play of the action points of the last meeting - information**

- Trade Agreements & Trade Policy Instruments:
  - Agreed draft advice on the negotiations of EU – Thailand Free Trade Agreement to be put forward to the Executive Committee for consideration and potential adoption
    - Advice adopted on 31 January 2024

- Risks and Vulnerabilities in the EU Food Supply Chain:
  - Presentation of the study to be rescheduled for the next meeting
    - Presentation scheduled for this meeting

- European Year of Skills:
  - Presentation of the EU Talent Pool and other new measures on skills and talent to be rescheduled for the next meeting
    - Pending

Trade Agreements & Trade Policy Instruments

- **Presentation on the call for evidence on better protecting sharks through sustainable fishing and trade by Kinga Malinowska-Facci (MARE B3)**

Kinga Malinowska-Facci (DG MARE) informed members about the ongoing Commission consultative process related to the European Citizens' Initiative 'Stop finning – Stop the trade', and encouraged them to participate. To provide some context, she explained that in January 2023, the European Commission received a citizen's initiative – an instrument that allows citizens to request the Commission to take action on a specific topic – supported by over 1 million signatures, requesting that the EU take action to end the international trade of loose shark fins. Ms Malinowska-Facci emphasised that the six months allotted to the Commission to respond to the initiative were insufficient to analyse all the pros and cons of such a proposal, as well any available alternatives.

Responding to the Initiative in the form of a formal communication published on July 5, 2023, the Commission committed to initiating an impact assessment process before the end of the year.

Ms Malinowska-Facci explained that the Communication presents all the action already taken by the EU to manage and protect sharks and recognises the need to enhance implementation of some of the existing measures. The Commission also committed to increase outreach towards third countries, aiming for an international shark finning ban and thereby reducing overconsumption of vulnerable shark species. Furthermore, the Commission is committed to closing the knowledge gap on international trade in shark fins by supplementing data on species level.

The ongoing impact assessment considers the environmental, social, and economic implications of a potential trade ban on loose shark fins, as well as a few other policy scenarios, including certification, bilateral agreements with the main fin fishing and consuming countries, and an international initiative to prohibit trade in loose fins.

Ms Malinowska-Facci explained that, in that framework, the Commission launched a call for evidence, which is open until 16 May 2024 and allows any stakeholder to provide views and factual information on the subject. A public consultation based on an online questionnaire is also ongoing and open until 4 June. Both can be replied to in any EU language. All input will be used to support the Commission's analysis about the various scenarios that can be explored surrounding the issue. She emphasised that it was now up to the relevant stakeholders to express their views.

- **Exchange of views**

Paul Thomas (EAPO) inquired whether the initiative only applied to shark fins or also included a prohibition on trading loose ray and skate fins.

Kinga Malinowska-Facci (DG MARE) stated that the initiative was on shark fins only.

Daniel Voces (Europêche) argued that, despite the EU's efforts, the global trade and demand for shark will continue. In his view, an EU ban on shark fin trade would only contribute to food waste and would fuel the illegal trade of fins through Asian markets and reduce transparency. He emphasised the need for the EU to work together with RFMOs or under Memorandums of Association to combat illegal practices and better manage shark populations. In light of this, Mr Voces encouraged the Commission to account for CITES (and all CITES-Appendix listed shark species) in its impact assessment, emphasising the challenges that the organisation presents to Member States. He went on to question whether the call for evidence and the public consultation on the subject were mandatory steps following the European Citizens' Initiative. He also inquired if the Commission had access to shark fin trade flow data from the United Nations Conference on Trade and Development (UNCTAD).

Kinga Malinowska-Facci (DG MARE) emphasised that the initiative was not a legislative procedure and was limited at this stage to an impact assessment. She explained that, on the one hand, conducting an impact assessment is a required step for a potential new Commission initiative, but on the other hand, there has been no legal obligation as such to open the process. However, not having a deeper reflection on the subject brought to the attention by citizens, from a political point of view, would not really be acceptable. The Commission will decide what steps to take next based on the impact

assessment, including the responses from stakeholders. She explained that other citizen initiatives that have not been addressed have resulted in legal action against the Commission.

Regarding UNCTAD data, Ms Malinowska-Facci confirmed that the Commission has access to trade flow data. She did, however, point out that the lack of species-specific data limits its value-added. The Commission services are analysing how to integrate such data into the EU's statistics, while on the other hand, CITES trade data will also be likely available for recently added species as of next year, which may provide an additional source of information be used.

Juana María Parada Guinaldo (OR.PA.GU.) agreed with Mr Voces' points. Furthermore, she stated that any action taken should be taken on a global scale rather than just at the EU level, citing the fact that various RFMOs have been working on a finning regulation for over a decade, despite facing significant internal adverse reactions. She questioned how a decision at the EU level would be useful, noting that any additional measures would impose constraints on EU fleets that are already in compliance with a finning regulation implemented in 2013, requiring vessels to detach the fins on land. The market already existed prior to 2013.

Ms. Parada Guinaldo stated that this regulation had a significant economic impact on EU shark fishing fleets, which had to adapt, with high costs, to processing on land. She went on to highlight that stable trade, which includes Asia, Europe, Latin America, and Africa, is taking place for all parts of a shark, not just the fins. She criticised that measures taken by operators, Member States, and the EU, such as Fisheries Improvement Projects (FIPs) are not mentioned, in the Commission's Communication. She drew attention to the presentation on the FIP Blues, a FIP for the Swordfish and Blue Shark fisheries, which took place under the Working Group 3 meeting.

Sergio López García (OPP Burela) emphasised the importance of the Commission remaining neutral and objective when evaluating consultative inputs. He expressed his hope that different points of view would be considered as well as the importance of using the most up-to-date scientific evidence in the assessment. He criticised the 'Stop finning – Stop the trade' initiative, claiming that much of the information presented in it was not factual. In his view, at a recent event at the European Parliament about the initiative, misleading information had been presented. At the event, a news article about alleged illegal fishing by two vessels was mentioned, but no actual judicial accusation took place, as the applicable CITES rules had not been properly considered in the investigation.

Mr López García emphasised that EU fleets fishing for sharks prioritise sustainability and transparency, while Asian fleets lack such measures, meaning that a level-playing-field was lacking even for fleets operating in nearby fisheries. He invited the Commission to take a closer look at the shark species caught by the Spanish fleet, as recently done by CITES, emphasising that Spain abides by EU and RFMO regulations. The Commission should use the best available information on market and science.

Kinga Malinowska-Facci (DG MARE) agreed on the importance of including the most recent scientific data in the Commission's impact assessment. Ms Malinowska-Facci stated that the Commission was aware of all of the economic costs that EU fleets have incurred as well as the efforts they are making. Work should continue in the context of RFMOs and globally. She emphasised that the Commission

was committed to balancing socio-economic and environmental considerations and perspectives throughout the process. She emphasised that there was no predefined way of action.

- **Way forward**

The Chair encouraged members to take part in the ongoing consultations and contribute with relevant data and opinions.

The Secretary General suggested to proceed with the circulation of a questionnaire to the members to collect their views, which could facilitate the preparation of draft advice.

Daniel Voces (Europêche) stated that, while he was favourable to proceeding with a questionnaire, he was also willing to draft a preliminary version of advice on behalf of the MAC.

The Chair stated he preferred the questionnaire option.

Quentin Marchais (ClientEarth) expressed support for the circulation of a questionnaire. Mr Marchais welcomed the initiative of the Commission, highlighting that there was a ban in place in Canada and in the USA.

Kinga Malinowska-Facci (DG MARE) stated that input from the MAC would be welcomed, even if it will likely be finalised only shortly after the official end of the public consultation.

The Chair proposed that, following the replies of the members to the questionnaire, draft advice would be considered at the next meeting.

Fisheries Control Regulation

- **Presentation of new rules of lot composition and traceability of fishery and aquaculture products by Anne Gautrais-Le Goff (MARE D4)**

Click here to access the presentation.

The Chair recalled that, prior to the meeting, a questionnaire was circulated to the members to gather preliminary input on the market-related aspects of the revision of the Fisheries Control Regulation. Questions from the members were sent to Ms Gautrais-Le Goff via email.

Anne Gautrais-Le Goff (MARE D4) presented the revised Fisheries Control Regulation's new lot composition and traceability rules for fishery and aquaculture products (FAPs). She provided a brief overview of the revision, noting that, following the initial Commission's proposal in 2018, a provisional political agreement was reached in 2023. This paved the way for the new Regulation to enter into force on 9 January 2024. Ms Gautrais-Le Goff specified that only a few provisions apply immediately or after six months and that most apply after two years. Traceability provisions for "fresh and frozen" and "prepared and preserved" FAPs are applicable after two (i.e. January 2026) and five years (i.e. January 2029), respectively.

Ms Gautrais-Le Goff detailed the new provisions pertaining to the composition of a FAP lot. She explained that changes had been made to better align the new rules with existing food laws and avoid

duplication with the CMO Regulation. Clarifications have been made regarding what constitutes a lot and that there are specific rules for the composition of lots of Chapter 3 FAPs. Before being placed on the market all FAPs shall be put into lots. The existing derogations for FAPs being put into lots prior to being placed on the market have been maintained. Ms Gautrais-Le Goff clarified that mixing lots of Chapter 3 FAPs after they are placed on the market is only possible if minimum traceability information on the new lot is available and if the composition and quantities of each lot(s) forming the newly created lot is available. She stated that these new specific lot composition rules for chapter 3 FAPs will come into force in January 2026.

Regarding lot of FAP traceability, Ms Gautrais-Le Goff explained that operators must now record and make traceability information available digitally to the next operator in the supply chain. Furthermore, the new Fisheries Control Regulation refers to definitions of "placing on the market" and "retail" from the CFP and CMO Regulations. She emphasised that the revised traceability provisions will apply to all FAPs - fresh and frozen, prepared and preserved, including those imported from third countries, as well as algae products.

Ms Gautrais-Le Goff went on to outline the minimum traceability information requirements for fresh and frozen FAPs. In addition to the lot identification number, each fishery product must have a unique fishing trip identification number, the species' FAO alpha code and scientific name, the geographical area where the species was caught/produced, the fishing gear used, the date the species was caught, and the quantities of product. Instead of the unique fishing trip identification number, imported FAPs will have to refer to IMO number and to the associated catch certificate number. Aquaculture products will need to provide the aquaculture production unit number.

Highlighting next steps, Ms Gautrais-Le Goff stated that the Commission is about to launch the study on the minimum traceability information for 'lots of prepared and preserved products" and the use of digital systems'. She explained that this is a legal obligation. She went on to say that, by January 2026, the Commission will review the current implementing act (CIR 404/2011), specifically its Articles 66 and 67, and adopt, if necessary, additional detailed rules for traceability of lots of fresh and frozen FAPs via a delegated act. Furthermore, following the results of the study, by January 2029, the Commission will have to adopt additional delegated rules governing minimum traceability information and systems for lots of preserved and prepared FAPs and algae.

Ms Gautrais-Le Goff encouraged members to provide feedback on what the industry further need as additional rules to comply with the proposed composition and traceability rules for lots of fresh and frozen FAPs by January 2026. In addition, she outlined the remaining challenges that need to be addressed and asked members to assist in identifying them in particular for the traceability of lots of preserved and prepared FAPs, when the study will be running and in parallel to it.

- **Exchange of views**

The Chair highlighted that some of the questions collected prior to the meeting were focused on the interpretation of the new rules, while others focused on more practical aspects. In his view, the MAC should provide advice on the Terms of Reference of the study on feasible traceability systems and procedures for lots of prepared and preserved products, and minimum traceability information o-for those lots.

Poul Melgaard Jensen (Danish Seafood Association) stated that Danish operators are eager to implement digital measures and would like to start preparing now. He inquired about whether any additional minimum technical requirements for recording and transmission for fresh and frozen FAPs would be made available in due time for operators to comply with it, emphasising that Danish operators would face time constraints if they were only published close to the application date (January 2026).

Anne Gautrais-Le Goff (DG MARE) emphasised that the Commission is not obliged to adopt additional rules. Furthermore, the Commission does not want to be prescriptive, highlighting the importance of interoperability. She stated that operators should be encouraged to begin implementing and/or continue operating their current digital systems, as there is little risk of them failing to meet any possible future additional technical minimum requirements.

Bruno Guillaumie (EMPA) stated that stakeholders are being asked to provide digital data without clear guidelines on its format. On aquaculture producers needing to provide the aquaculture production unit number, Mr Guillaumie requested that the Commission issue a technical note to ensure that companies use the same number, ensuring greater harmony among Member States.

Anne Gautrais-Le Goff (DG MARE) noted EMPA's point and suggested that Mr Guillaumie submit his comments and any questions in writing so that DG MARE could analyse the concerns and reply accordingly. She reiterated that the Commission does not wish to be prescriptive, stating that if there is already a number identifying aquaculture production unit is another EU legal act, this number could well be use for the purpose of Article 58 for aquaculture products. The Commission will not require anything new if it fits in.

Amélie Laurent (Oceana) inquired whether the report from the study on feasible traceability systems would be made public and published in 2026.

Anne Gautrais-Le Goff (DG MARE) stated that the report will be made public when the study will be finalised. She highlighted that the study was not yet underway and that the Terms of Reference (ToRs) were still being drafted to be ready before summer in order to receive offers and sign the selected offer by the end of 2024. The aim is to have the results of the study in due time before drafting the traceability rules for lots of preserved and prepared FAPs, which needs to be adopted sufficiently well in advance of the date of January 2029 when those rules will apply.

The Chair mentioned that, as far as he knew, the study's Terms of Reference would not be made public. He stated that the MAC Secretariat had gathered feedback from members for inclusion in the Terms of Reference and suggested that this feedback be sent to the Commission for consideration. He went on to say that the consultants chosen to conduct the study should visit some production and processing facilities, and that establishments to visit had already been suggested.

Anne Gautrais-Le Goff (DG MARE) acknowledged indeed that the ToRs of the study will not be publicly available but highlighted that the Commission would welcome input from MAC members. She emphasised the importance of ensuring that the new traceability rules for lots of prepared and preserved FAPs are realistic and implementable. She commended members for their collaborative

approach and thanked them for all the feedback already sent in to which written replies will be provided.

- **Way forward**

The Chair proposed that Ms Gautrais-Le Goff respond to the written questions in writing, while also allowing for further exchanges at the next meeting. The Chair proposed the launch of an urgent written procedure to adopt advice on the Terms of Reference of the study on feasible traceability systems and procedures for prepared and preserved fishery and aquaculture products, which would be based on the replies to the questionnaire on preliminary input.

The Working Group decided that, at a future opportunity, advice would be developed on the delegated acts for traceability of lots of FAPs foreseen under the revised Fisheries Control Regulation.

Security and Freedom of Navigation in the Red Sea

- **Presentation on recent Houthi attacks on commercial vessels, including monitoring of possible impacts on fishery and aquaculture market by Christophe Vande Weyer (MARE A4)**

Christophe Vande Weyer (DG MARE) provided an overview of the impact of the Houthi attacks on commercial vessels passing through the Gulf of Aden and the Red Sea. He drew attention to the findings of the Expert Group on the European Food Security Crisis Preparedness and Response Mechanism and those of EUMOFA.

Mr Vande Weyer went on to explain that in response to the Houthi attacks, many vessels have changed their route and are now travelling around the African continent, which translated into an increase in the transport time. He assured members that the Commission and the European External Action Service, in collaboration with Member States and the fisheries and aquaculture industries, are closely monitoring the situation to determine how to improve security and prevent supply disruptions. EUMOFA would be publishing a report, every to two or three weeks, about the impact for the market of fishery and aquaculture products.

Mr Vande Weyer stated that, while traffic in the strait has decreased significantly, the impact on fishery and aquaculture products had been marginal. According to estimates, the dependency of EU imports of FAPs on the Suez Canal route is estimated to be around 20%. No significant impact on price had been noted. The Commission representative acknowledged that the industry experienced impacts, particularly in terms of freight and insurance costs, but that these costs started to normalise in February 2024. As for the impact on marine fuel for fishing vessels, there was an impact at the beginning, but was then reduced.

Mr Vande Weyer informed that the Expert Group on the European Food Security Crisis Preparedness and Response Mechanism held a meeting in February 2024, which included the participation of AIPCE. There was no significant impact for food security within the EU identified. At the meeting, there were comments about the logistical impacts of rerouting and the impact on the time of restocking. The impact on the market of FAPs was not particularly concerning, but the Commission committed to continue following the situation. He encouraged members to provide inputs.

- **Exchange of views**
- **Way forward**

The Chair welcomed the close monitoring of the situation by DG MARE and EUMOFA, adding that it should continue. In the experience of his own organisation, ADEPALE, the impacts on FAPs had not been major, in line with the findings of the EUMOFA's reports.

Christophe Vande Weyer (DG MARE) encouraged members to consult the official website of EUMOFA and the continuously updated reports on the crisis.

Place of China in the Global Supply Chains of Fishery and Aquaculture Products

- **Exchange of views about the Commission's reply to the MAC / LDAC advice "Addressing China's global distant water fleet activities implications for fisheries governance"**

The Secretary General provided a summary of the advice and of Commission's reply. The advice covered the following topics: transparency, capacity building, IUU, SFPAs, subsidies, trade and social rights, development cooperation, and capacity building.

On transparency, the advice urges the Commission to shed light on the size and scope of China's fleet operations. The Commission responded that, while information on the size of the fleet is available on China's Fisheries Statistics website and in the FAO Global Record, it admits the data is not sufficiently reliable or consistent. To further advance transparency, the Commission intends to promote the concept through international channels and RFMOs as well as advocate for a genuine link in beneficial ownership.

Regarding capacity building, the advice emphasises the need for increased human and financial resources in DG MARE and EFCA. The Commission responded that staff allocation is determined by its priorities and obligations.

On IUU, the advice urges the Commission to strengthen import controls and publicly disclose China's efforts to combat IUU fishing. The Commission responded that it is working closely with Member States to implement the revised catch certification scheme. In addition, an EU-China IUU Working Group and Ocean Partnership have been established to address the issue.

In terms of SFPAs, the advice advocates for improving sustainability and transparency in third-country access conditions, making access agreement details and a list of licenced vessels public, and increasing coordination and support. The Commission responded that non-discrimination is a key component of SFPAs and that it is actively working on sectoral support, formal and informal dialogues, and support for regional projects. Furthermore, the Commission is developing sustainable fisheries chapters for Free Trade Agreements (FTAs) and conducting an assessment of ATQ regime covering the sustainability aspect.

Regarding subsidies, the advice states that the Commission should investigate subsidies for IUU fishing and activities that fall outside of its jurisdiction. The Commission responded that it is

continuing its efforts at the World Trade Organization (WTO) to promote the ratification of the WTO fisheries agreement and the establishment of the WTO fisheries funding mechanism.

On trade and social rights, the Commission is advised to reduce import dependency, ensure policy coherence, deny preferential market access linked to IUU and serious labour abuses, implement the corporate sustainability due diligence directive, and promote decent work and ILO conventions. The Commission responded that it recognises the importance of the Corporate Sustainability Due Diligence directive, it will make use of the proposal to ban products made with force labour, and will continue to promote social rights in international fora.

Concerning development cooperation, the advice emphasises the need for improved monitoring and reporting on the allocation and implementation of development aid, as well as linking support to commitments to sustainable fishing. The Commission responded that it already monitors and evaluates development aid and collaborates and supports partner countries in RFMOs and other fora.

Alexandre Rodriguez (LDAC Secretary General) stated the members of LDAC were not satisfied with the delay in the reply, but were satisfied with the quality. Internal reflections on the letter were still ongoing, but would likely address ongoing international work, inspection schemes, and transshipment monitoring. He emphasised that, regarding SFPAs, LDAC members believe that not enough is being done to monitor what China is doing with third-party trade partners of the EU. On IUU, LDAC members believe that there is extensive documented evidence of IUU by Chinese fleets, including labour violations. Mr Rodriquez stated that the LDAC is committed to continuing its work on the subject, including through a follow-up piece of advice. The LDAC is looking into differences in trade statistics, including documents for import and export to and from China and the EU. There were possibilities for joint work with the MAC.

- **Presentation of investigations on China by Joe Galvin (The Outlaw Ocean Project)**

Click here to access the presentation.

Joe Galvin (The Outlaw Ocean Project) explained that The Outlaw Ocean Project was a journalism non-profit focused on fishing and labour abuses at sea. Mr Galvin presented the findings of an investigation into China's fishing fleet, which took almost three years to complete. Mr Galvin explained that China has established itself as the dominant seafood force in global fishing, with the largest fleet and as the biggest importer and exporter. The investigation covered three aspects: 1) China's squid fishing efforts on the high seas, 2) forced labour from Xinjiang, and 3) the employment of North Koreans in seafood processing. Mr Galvin stated that abuses are most common in the squid fishery, which is due in part to the fact that vessels operating in this sector can remain at sea for more than three years before returning to port. This means that forced labour becomes more prevalent. Workers face forced labour, captivity, and insufficient food. He also stated that squid is a species that China is attempting to capitalise on by actively cornering the market. Squid is abundant and climate resistant, to it was a way for China to “future-proof” their fishing industry.

Mr Galvin discussed key findings from the investigation. As part of the project, reporters attempted to determine how many vessels operate in the Chinese fleet. Mr Galvin stated that the official number of vessels operating in the Chinese fleet is 2700, but that these figures are highly ambiguous due to

a variety of factors, including sovereignty claims on neighbouring waters. The Chinese fleet could have up to 6500 vessels, which is twice the size of the next largest fleet. Mr Galvin stated that 357 of the 751 vessels studied were associated with human rights or environmental violations. He described the appalling working and living conditions on board ships as well as how reporters discovered numerous cases of beriberi, a disease that has been largely eradicated around the world. Deaths at sea also took place. It was difficult to detect the abuses happening at sea.

Examining forced labour from the Xinjiang province, the investigation revealed that at least 1000 ethnic minorities had been forced to work in the Shandong province. Mr Galvin stated that many of the seafood processors using forced labour export to the United States and the European Union, and that dozens of EU companies distribute or are exposed to Chinese seafood produced with forced labour. On the use of North Korean workers, the investigation found that at least 15 seafood processing plants have employed more than 1000 North Korean workers since 2017, even though employing North Koreans is banned under UN sanctions. Those interviewed as part of the investigation describe a widespread pattern of abuse. Mr Galvin stated that money obtained by foreign workers in China fuels the North Korean government and provides foreign currency to those in power, including for the financing of the nuclear arming program.

Mr Galvin explained that the MSC and ASC have certified a number of companies that violate labour rights, but that external audits do not detect these violations. He stated that, due to a variety of factors, the ASC has decided to cease operations in China. He stated that many governments are complicit in fuelling non-compliance and violations in the Chinese fleet by sourcing from companies that import and supply seafood linked to forced labour or IUU when providing catering services. He stated that, in response to the Outlaw Ocean investigation, 26 US lawmakers have urged President Joe Biden to take action against IUU fishing in China, and several importers (Trident Seafoods, High Liner Foods, and Sysco Corp.) have ceased operations with Dalian Haiqing Food Company.

Mr Galvin drew attention to a video available on the project's website that provided further details on the investigation. Additionally, The Outlaw Ocean Project recently published an article about shrimp produced in India for import.

- **Exchange of views about the investigations**

The Chair emphasised the significance and relevance of investigations like the one conducted by the Outlaw Ocean Project.

Jean-Marie Robert (Les Pêcheurs de Bretagne) thanked Mr. Galvin and echoed the Chair's comment. He stated that the investigation sheds light on issues that EU fleets have been raising for a long time, including on the supply of Chinese products to the EU market. Mr Robert highlighted the quality of the investigation and the objective information provided.

María Luisa Álvarez Blanco (FEDEPESCA) mirrored Mr Robert's remarks. Ms Álvarez expressed surprise that the investigation's results had taken so long. She expressed concern that retailers and operators in the EU had continued to use deceptive practices and asked for more information on the actions taken by retailers. She committed to sharing the results of the investigation.

Joe Galvin (The Outlaw Ocean Project) stated that the actions taken so far have been varied, with some companies ceasing operations and others failing to respond or providing any indication of what action they will take.

Vanya Vulperhorst (Oceana) inquired whether the project had identified companies with a strong repertoire and experience dealing with the issues raised in the investigation, thereby promoting best practices. She emphasised the willingness of NGOs, such as Oceana, to continue working on the issues raised. She also drew attention to the recent legislative proposals on banning products made from forced labour and on sustainable due diligence.

Joe Galvin (The Outlaw Ocean Project) explained that the most common occurrence was a lack of response from companies. He stated that, while some companies were very proactive in their engagement and keen to address the issues raised, companies ultimately rely on certification schemes to address them.

Daniel Voces (Europêche) highlighted previous work done in 2016 by the International Transport Workers' Federation (ITF) and Europêche to promote the ratification of international labour conventions, which included an event with the participation of Mr Ian Urbina, drawing significant interest about the Outlaw Ocean Project. Mr Voces drew attention to the new EU legislation, passed in March 2024, prohibiting imports using forced labour, and he asked if the Outlaw Ocean Project would be willing to share the data gathered during their investigation with Member States so that these could better implement this law.

Joe Galvin (The Outlaw Ocean Project) stated that all data that does not jeopardise journalistic sources is available on the Outlaw Ocean Project's website. Mr Galvin emphasised that the project attempted to be as transparent as possible, publishing all correspondence with companies both in and outside of China.

Guus Pastoor (AIPCE) asked Mr Galvin if he thought new regulations, like the one mentioned by Mr Voces, were effective in combating labour rights violations. He went on to say that most importers deal with these issues through certification schemes, noting that companies typically lack the capacity to check the validity of audits. Mr Pastoor also emphasised the importance of regulations in third countries and importing markets. He inquired as to how businesses can improve their processes in the face of inadequate certification schemes. He stated that it was critical to examine what products are imported into EU markets, and he inquired whether regulators could focus and narrow down where they should look for violations.

Joe Galvin (The Outlaw Ocean Project) stated that while the new EU regulations are a step in the right direction, the majority of the companies mentioned in the investigation are too small to be covered by them. He echoed Mr Pastoor's comment, explaining that if audits fail to detect issues, it becomes extremely difficult for small businesses to respond. Furthermore, relationships between auditors and companies are strained because both parties have a vested interest in passing an audit in order to maintain a working relationship. According to Mr Galvin, many jurisdictions' current social audits are not fit for purpose. This is highlighted by the ASC's withdrawal from China, which demonstrates the difficulty of auditing in the country.

Bruno Guillaumie (EMPA) asked whether animal welfare issues were also taken into account in the investigation, noting that large-scale squid farming did not exist for these reasons. He also inquired as to whether Chinese processors and operators could relocate their labour and processes to other "friendly" countries in order to conceal labour rights violations and environmental issues.

Joe Galvin (The Outlaw Ocean Project) agreed that squid processing is gruesome, but stated that the Outlaw Ocean Project investigation did not address the issue of animal welfare. Mr Galvin explained that Chinese companies are already exporting their catch or partially processed products to third countries, such as Bangladesh, which are then exporting to the EU and the United States. He emphasised that much more work is needed to address supply chain traceability.

Jennifer Reeves (MSC) stated that the MSC is an environmental standard and certification scheme and that although the MSC incorporates labour standards into its certification, no social audits are carried out to verify operator claims. This is a major source of concern for the MSC, which is investigating the issue and attempting to resolve it internally.

- **Way forward**

The Chair stated that, as he understood it, the LDAC would continue to work on drafting advice on the Chinese distant fleet. The Chair asked members whether there was interest to do the same.

The Secretary General stated that Oceana had expressed interest in the development of follow-up advice, particularly focusing on the new the forced labour and due diligence rules.

Vanya Vulperhorst (Oceana) added that members could discuss what can be done between now and when the laws go into effect in 2027.

Quentin Marchais (ClientEarth) emphasised that a link should be made to the Corporate Sustainability Reporting Directive (CSRD) and highlighted the importance of reporting and identifying the risks in the supply chain.

The Working Group decided to, under the next meeting, schedule an agenda point on a potential follow-up advice.

Risks and Vulnerabilities in the EU Food Supply Chain

- **Presentation of study on risks and vulnerabilities in the EU food supply chain by Prof. Simone Severini (University of Tuscia & Ecorys)**

Click here to access the presentation and here to access the published study.

Prof. Simone Severini (Ecorys) presented a study commissioned by the European Commission's Joint Research Centre (JRC) and carried out by Ecorys titled "Mapping the Risks and Vulnerabilities in the EU Food Supply Chain". The study's objectives were threefold: 1) to identify and characterise potential risks affecting EU food supply and security, as well as to define a risk typology; 2) to assess the vulnerability of the EU food supply chain in relation to the identified risks, and to define the factors determining such vulnerability; and 3) to identify the key risks threatening the EU food supply chain. The study covered all EU countries (including the outermost regions), accounted for heterogeneity

across sectors and supply chain stages, and involved a large number of stakeholders. Prof. Severini described the study's methods, which included a systematic literature review of 183 scientific papers, interviews with 152 stakeholders, and an online survey with 278 participants. Based on this information, risks and vulnerabilities could be identified. Prof. Severini explained that 28 risk categories were identified and classified into six types.

The six types are: 1) biophysical and environmental; 2) economic and market; 3) socio-cultural and demographic; 4) (geo)political and institutional; 5) supply chain performance; and 6) information and technology. Prof. Severini explained that the most common risk types identified by online survey respondents working in the fishery and aquaculture sectors were biophysical and environmental risks, as well as economic and market risks. He stated that generational renewal is perceived as the most serious threat to fishery and aquaculture and that the majority of risks are perceived to originate outside the EU. Prof. Severini also stated that the perceived risk is significantly higher in the fisheries and aquaculture sectors than in other industries. When comparing these perceptions among stakeholders, he found that business stakeholders are more concerned with economic-market and geopolitical risks, whereas other stakeholders are more concerned with bio-physical risks. Finally, Prof. Severini explained that vulnerability to most risk types is determined by a lack of financial and natural resources, as well as a lack of adaptability.

In conclusion, Prof. Severini emphasised that the fisheries and aquaculture sectors face a wide range of risks, with economic-market, bio-physical, and environmental risks standing out as the most significant threats. He emphasised that all risks are interconnected and have cascading consequences, so they must be addressed holistically.

- **Exchange of views**

The Chair asked if the analysis differentiated between the fisheries and aquaculture sectors.

Prof. Simone Severini (Ecorys) stated that the analysis was unable to differentiate between the fisheries and aquaculture sectors due to its broad objectives. He mentioned that this distinction might be something to investigate in the future.

AOB

None.

Market Advisory Council

Summary of action items

- Trade Agreements & Trade Policy Instruments
    - Secretariat to circulate a questionnaire on the initiative “better protecting sharks through sustainable fishing and trade” to gather input from the members.
    - Based on the replies to the questionnaire, the Secretariat will prepare draft advice, which will be considered at the next meeting.

- Fisheries Control Regulation
    - Urgent written procedure to be launched to adopt advice on the Terms of Reference of the study on feasible traceability systems and procedures for prepared and preserved fishery and aquaculture products.
    - At a future opportunity, advice to be developed on the delegated acts foreseen under the Fisheries Control Regulation.

- Place of China in the Global Supply Chains of Fishery and Aquaculture Products
    - Under the next meeting, schedule an agenda point on the potential follow-up advice.

Market Advisory Council

Attendance List

Representative	Organisation	Role
Adrien Simonnet	Union du Mareyage Français (UMF)	Member
Adryan Rademakers	Good Fish Foundation	Member
Alexandre Rodríguez	Long Distance Advisory Council (LDAC)	Observer
Amélie Laurent	Oceana	Member
Anna Rokicka	Polish Association of Fish Processors (PSPR)	Member
Anne Gautrais-Le Goff	European Commission	Expert
Anne-France Mattlet	Europêche	Member
Arthur Yon	FROM Nord	Member
Bruno Guillaumie	European Molluscs' Producers Association (EMPA)	Member
Carlos Ruiz Blanco	ANFACO-CECOPESCA	Member
Christine Absil	Good Fish	Member
Christophe Vande Weyer	European Commission	Expert
Cristina Borges	Portugal	Observer
Daniel Voces de Onaíndi	Europêche	Member
Dominic Rihan	Killybegs Fishermen's Organisation (KFO)	Member
Elena García Caballero	Spain	Observer
Emiel Brouckaert	European Association of Fish Producers Organisations (EAPO)	Member
Falke De Sager	European Association of Fish Producers Organisations (EAPO)	Member
Felicidad Fernández	ANFACO-CECOPESCA	Member
Gaëtane Le Breuil	European Fishmeal	Member
Guus Pastoor	Visfederatie / EU Fish Processors and Traders Association (AIPCE)	Member
Iñigo Azqueta	ANFACO-CECOPESCA	Member
Janne Posti	Conxemar	Member
Jarosław Zieliński	Polish Fish Producers Association (PFPA)	Member
Javier Ojeda	Federation of European Aquaculture Producers (FEAP)	Member

Market Advisory Council

Representative	Organisation	Role
Jean-Marie Robert	Les Pêcheurs de Bretagne	Member
Jennifer Reeves	Marine Stewardship Council (MSC)	Member
Jens Høj Mathiesen	Danish Seafood Association	Member
Jérémie Souben	FEDOPA	Member
Jesus Urios	Environmental Justice Foundation (EJF)	Member
Joe Galvin	The Outlaw Ocean Project	Expert
John Lynch	Irish South and East Fish Producers Organisation (ISEFPO)	Member
José Basilio Otero Rodríguez	Federación Nacional de Cofradias de Pescadores (FNCP)	Member
José Carlos Escalera	Federación de Cofradías de Pescadores de Cádiz (FECOPESCA)	Member
Josip Furčić	Croatia	Observer
Juana María Parada Guinaldo	OR.PA.GU.	Member
Justine Marrot	Aquaculture Advisory Council (AAC)	Observer
Kinga Malinowska-Facci	European Commission	Expert
Laure Guillevic	WWF	Member
Linda Zanki Duvnjak	Ribarska Zadruga Friška Riba	Member
María Luisa Álvarez	FEDEPESCA	Member
Marilena Papeti	EuroCommerce	Member
Mark Gauci	Malta	Observer
Marta Marrero Martín	Oceans 5	Observer
Martina Marcakova	Marine Stewardship Council (MSC)	Member
Massimo Bellavista	COPA COGECA	Member
Maximilian Schwarz	Market Advisory Council (MAC)	Secretariat
Mike Turenhout	Visfederatie	Member
Mirta Novak	Croatia	Observer
Myfanwy Cortis	Malta	Observer
Nicolás Fernández	Organización Productores Pesqueros Artesanales Lonja de Conil (OPP72)	Member

Market Advisory Council

Representative	Organisation	Role
Olivier Hottlet	FRUCOM	Member
Owen Zammit	Malta	Observer
Paolo Giuseppe Ubaldi	EuroCommerce	Member
Patrick Murphy	Irish South & West Fish Producers Organisation (IS&WFPO)	Member
Paul Thomas	European Association of Fish Producers Organisations (EAPO)	Member
Pedro Luis Casado López	Asociación de Armadores Punta del Moral (OPP80)	Member
Pedro Reis Santos	Market Advisory Council (MAC)	Secretariat
Pierre Commère	Association Des Entreprises de Produits Alimentaires Élaborés (ADEPALE)	Chair
Pim Visser	VisNed	Member
Poul Melgaard	Danish Seafood Association	Member
Quentin Marchais	ClientEarth	Member
Roberto Alonso	ANFACO-CECOPESCA	Member
Rosalie Tukker	Europêche	Member
Ryan Corless	Environmental Justice Foundation (EJF)	Member
Sergio López García	OPP Burela	Member
Simone Severini	University of Tuscia	Expert
Stefan Meyer	Bundesverband Fischindustrie	Member
Stephanie Cassar	Malta	Observer
Tuure Eskelinen	EuroCommerce	Member
Vanya Vulperhorst	Oceana	Member
Yobana Bermúdez Rodríguez	EU Fish Processors and Traders Association (AIPCE)	Member