

Working Group 2: EU Markets

Draft Agenda

Tuesday, 4 June 2024 (14:30 – 18:00 CET)

Copa Cogeca (Meeting Room A), Rue de Trèves 61, 1040 Brussels

Interpretation in EN, ES, FR

Welcome from the Chair, Pierre Commère

Click <u>here</u> to access the Chair's presentation.

Adoption of the agenda and of the last meeting's minutes (02.04.24): adopted

Action points

- State-of-play of the action points of the last meeting information
- 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
 - Questionnaire circulated: 9 to 23 April 2024
 - Draft advice circulated: 17 May 2024 (updated on 22 May 2024)
- 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
 - Advice on Terms of Reference adopted: 24 May 2024
 - Ongoing
- 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
 - Agenda item scheduled (16:30 CET)
 - Proposal of draft advice circulated: 23 May 2024

Trade Agreements & Trade Policy Instruments

- Update on latest trade developments by Luis Molledo and Pawel Szatkowski (MARE B3), including:
 - o Autonomous Tariff Quotas (sustainability element)





<u>Luis Molledo (DG MARE)</u> explained that the current ATQ Regulation, which was adopted in November 2023, would cover years 2024 to 2026. This regulation is always for three years, and a new component under consideration is increasing the sustainability aspects of the next regulation from 2027 onwards. Mr Molledo explained that the Commission intended to issue a call for evidence and hold a public consultation on the subject no earlier than January 2025. He emphasised the Commission's intention to collaborate closely with stakeholders, such as those in the MAC, and encouraged members to participate in the upcoming public consultation.

<u>Daniel Voces (Europêche)</u> expressed concern about recent news articles indicating the possibility of Norwegian products originating in Russia benefiting from the ATQ system, and requested information on whether the Commission was investigating this matter. He mentioned that a study on sustainability elements had already been conducted, and asked if it would be publicly published eventually.

<u>Luis Molledo (DG MARE)</u> stated that the Commission was aware of the news articles and, considering the trade flows and EU rules, expressed scepticism about the veracity of the allegations, as Russian imports destined for the EU would have to pay import tariffs when entering Norway. Mr Molledo encouraged members, if they had specific information on the trade flows, to share this with the Commission services.

<u>Pawel Szatkowski (DG MARE)</u> added that the Commission is closely monitoring the relevant trade figures and the non-use of ATQs by Russia. The previous most relevant ATQs for Russia, such as Alaska pollock, cod, and haddock, are no longer used by Russia. The exclusion of Russia from the ATQs Regulation had been meaningful. In the case of Alaska pollock, the supply from China was also decreasing, which most probably means that the exclusion of Russia from the ATQ benefit also impacts their Chinese route.

<u>Jarek Zieliński (PFPA)</u> highlighted that cod from the Baltic Sea caught by the Russian fleet was still entering the EU market, while, at the same time, there was a total closure of the fishery for the EU fleet. Mr Zieliński encouraged the Commission to look into this matter.

Luis Molledo (DG MARE) responded that the Commission was already investigating the matter.

• Morocco (court cases on SFPA, preferential tariff agreement)

<u>Luis Molledo (DG MARE)</u> explained that opinions from an Advocate General of the European Court of Justice concerning the Sustainable Fisheries Partnership Agreement and the EU-Morocco preferential tariff agreement were published, but that these are independent legal opinions that do not prejudge the judgement of the Court. Mr Molledo emphasised the importance of preserving and strengthening the relationship with Morocco. Therefore, Commission was looking forward for the final ruling. In the meantime, trade with Morocco continued, as the agreement remained active.

The <u>Chair</u> inquired about the timeframe set by the court for the judgement.

Luis Molledo (DG MARE) stated that the decision was expected in the second half of the year.

• Southeast Asia (Indonesia, Philippines, Thailand)





Regarding Thailand, <u>Luis Molledo (DG MARE)</u> stated that the advice sent by the MAC had been considered and that a written reply from the Commission had been sent that same day. Mr Molledo informed that the next round of negotiations would take place from 17 to 21 June 2024 in Brussels, focusing on rules of origin, and trade and sustainable development. No exchanges of trade offers had been made yet, even though there were some exchanges about the timings. The Commission representative recognised the sensitivities for tuna products, adding that the concerns, especially on canned tuna, would be duly taken into account in the negotiations.

<u>Julien Daudu (EJF)</u> expressed concern about the ongoing legislative processes in Thailand, which undermined previous positive developments following the "yellow card". Mr Daudu emphasised the importance of these developments in the context of the negotiations of the EU-Thailand FTA.

<u>Luis Molledo (DG MARE)</u> explained that, in May 2024, during the annual IOTC meeting, the Commission held a high-level dialogue with Thailand to address the mentioned issues. Mr Molledo reassured members that the Commission services were closely monitoring the legislative developments in Thailand. Additionally, a meeting dedicated to IUU fishing issues would be taking place in the near future in Bangkok.

Regarding Indonesia, Mr Molledo informed that the intention was to close the discussions, at the technical level, in early July 2024. Agreement was close to be reached on rules of origin, and on sustainability. Further discussions were needed on market access. The EU was preparing a renewed offer, which would be reviewed by the Member States in June 2024. The Commission representative highlighted that this FTA could set a precedent for other FTAs in the region. The Commission services were aware of the potential ramifications for tuna other products.

Regarding the Philippines, Mr Molledo informed that, on 18 March 2024, there was a decision to restart the FTA negotiations. A round of negotiations will take place after the summer break.

• World Trade Organisation (Agreement on Fisheries Subsidies)

<u>Luis Molledo (DG MARE)</u> outlined the two phases of the WTO negotiations. The first phase focused on the initial Agreement on Fisheries Subsidies reached at the 12th Ministerial Conference to curb harmful fisheries subsidies in specific cases. The process of ratification was ongoing. 74 of the required 110 instruments of acceptance had been deposited. He added that the Commission was continuing to urge other WTO members to ratify the agreement.

Mr Molledo explained that the mandate for the 13th Ministerial Conference, under a second phase, included continuing work on curbing harmful fisheries subsidies. However, no agreement was reached at the end of the conference, as India prevented the adoption due to a national election process. The Commission representative highlighted the WTO Chair's new efforts to push for and reach an agreement at the General Council meeting in July 2024. He explained that the idea is to start with the latest version of the text and work from there. There was a strong political will to move ahead, and the EU remained committed to finding a compromise to move forward.

<u>Daniel Voces (Europêche)</u> expressed his appreciation for the Commission's efforts. Mr Voces inquired whether, once ratified, the agreement would result in any changes to EMFAF funding for long-distance





fleets operating outside areas of competence of RFMOs. Mr Voces argued that provisions for *force majeure* were needed to allow some aid to be triggered in certain circumstances, such as the COVID-19 pandemic, and the Russian war against Ukraine. Mr Voces expressed concern about certain countries questioning the EU's SFPAs and called on the Commission to defend these agreements. He also expressed concern about potential derogations for developing countries who classify their fleets as being "small-scale" even when that is not the case.

<u>Luis Molledo (DG MARE)</u> stated that once the agreement is in place, the EMFAF will need to be adapted. Mr Molledo stated that the Commission was aware of the narrative around SFPAs presented in the WTO forum, which were similar to arguments made in other fora. In the view of the EU, SFPAs are compatible with the WTO rules. The Commission representative expressed availability to follow-up via with Mr Voces concerning the issue of *force majeure*.

• EEA/Norway

<u>Roberto Carlos Alonso Baptista de Sousa (ANFACO-CECOPESCA)</u>, in the context of the negotiations of the EEA Financial Mechanism and market access agreements, expressed concern about the last modification negotiated by Norway that would increase the duty-free quota for smoked salmon from 450 tonnes to 2500 tonnes. Norway would be able to export even more to the EU market, while EU factories face decreases in competitiveness, and Norway benefits from a dominant position. Mr Alonso highlighted that EU companies needed to pay a 2% when importing raw material for EU factories, which represented a loss in competitiveness and employment.

<u>Poul Melgaard (Danish Seafood Association)</u> expressed agreement with Mr Alonso, adding that the quantity of smoked salmon entering the EU market will be above 4000 tonnes, as there are unused quotas from previous years that would also be available. Mr Melgaard highlighted that, under Norwegian law, "production" salmon was not eligible for export, meaning that EU processors could only access "ordinary" and "premium" salmon. Therefore, Norway was not respecting international trade law. The significant increase in duty-free access for smoked salmon would have further distorting effects in the EU market.

<u>Aodh O'Donnell (IFPO)</u> expressed agreement with the previous interventions. Mr O'Donnell expressed concern about Norway's disregard of scientific advice on pelagic stocks and asked about potential initiatives by the EU to convince Norway to properly address the matter.

<u>Daniel Voces (Europêche)</u> added that there were also concerns about the distribution of cod quotas, with Norway claiming them from eligible EU fishing fleets, which resulted in management problems. Mr Voces argued that there was a disloyal attitude from Norway towards the EU, as demonstrated by the investigation into salmon price fixing by Norwegian companies. This was also argued in a recent advice from the LDAC about Norway. He wanted to know whether the European Parliament would be involved in the approval process of the Financial Mechanism.

<u>Luis Molledo (DG MARE)</u> stated that he would be unable to answer regarding the Coastal State negotiations, as these are the responsibility of other policy units in DG MARE. Concerning the issue of tariff quotas, Mr Molledo informed that a formal decision from the Council was still pending,





adding that he would not comment based on a leaked document. He noted that, overall, Norway's financial contribution to the EU had increased in exchange for more market access.

<u>Pawel Szatkowski (DG MARE)</u> explained that existing quotas had to be adjusted during the negotiations, and the new quotas stroke a balance between market access concessions and the EU's expectations for the Financial Mechanism. Mr Szatkowski recalled that, initially, Norway was seeking full market access. The protocols would be applicable until 2027 and without an automatic renewal. The Commission representative highlighted that a Council Working Party was discussing how to use trade as a leverage in other negotiations. As for market access, the negotiated result was generally accepted by the Member States with the exception of one, which was opposing the discussion on the Financial Mechanism. Therefore, it was unclear when the voting on the final package would take place. The European Parliament would need to provide consent to the entire package.

<u>Poul Melgaard (Danish Seafood Association)</u> wanted to know whether, once the package was approved by the Council, the three-month period to enter into force would be avoided. Mr Melgaard recalled that, when the previous agreement expired in 2021, the EU allowed for "bridging quotas" under the ATQs Regulation. He emphasised that the EU industry needed raw material and that there were expectations that the agreement would have entered into force in January 2024. In the meantime, the EU industry was paying 20% in duties, so he argued that new "bridging quotas" were needed to supply critical raw material.

<u>Roberto Carlos Alonso Baptista de Sousa (ANFACO-CECOPESCA)</u> suggested the submission of a letter on the issue of the increase of the quota of smoked salmon from Norway, arguing that a balance was needed on this matter.

The <u>Chair</u> responded that an internal discussion on Mr Alonso's suggestion would be relevant. The Chair asked the Commission representatives about Norway's export ban on "production salmon".

<u>Pawel Szatkowski (DG MARE)</u> informed that DG MARE received a letter from AIPCE-CEP on market imbalances and the ban on "production salmon" and was looking into the matter. The matter would also be checked with DG TRADE. Concerning Mr Melgaard's call for "bridging quotas", Mr Szatkowski stated that it would be extremely difficult to amend the ATQs Regulation and to reach consensus in the Council. The political message was that negotiations on this regulation should not be reopened.

Katarina Sipic (AIPCE) informed that the letter from AIPCE-CEP was sent to three Commissioners.

<u>Poul Melgaard (Danish Seafood Association)</u> recalled that the ATQs Regulation is not specific to Norway, but it an *erga omnes* legislation.

• Way forward

The <u>Chair</u> proposed to cover all the mentioned issues into one piece of advice.

The <u>Secretary General</u> suggested that, as the next meeting would take place in September 2024, to proceed with a written procedure to conclude the advice sooner.





<u>Aodh O'Donnell (IFPO)</u> stated that the issue of balance in the relationship between Coastal States should also be taken into account.

Fisheries Control Regulation

• Exchange of views on new rules of lot composition and traceability of fishery and aquaculture products with Anne Gautrais-Le Goff (MARE D4)

The <u>Chair</u> recalled that written replies from the European Commission to the questions raised at the previous meeting had been received. The MAC adopted advice on the Terms of Reference for the study on feasible traceability systems for prepared and preserved products (Chapter 16 – sub heading 1604 and 1605). The Chair requested information on the next steps of the procedure to contract an external consultant.

<u>Anne Gautrais-Le Goff (DG MARE)</u> thanked the members for the advice. The Commission was aiming for the framework contract to be concluded by the end of June / mid-July 2024, so that the contract can start, at the latest, by the end of the year. The contract would be for one year or one year and a half (still to be decided). The contract will analyse the traceability systems and solutions that operators have in place, in order to provide recommendations. The aim will be for the Commission to adopt a delegated act with the minimum traceability requirements for prepared and preserved products - well before the date of application of 10 January 2029 -, ideally in 2027 to allow operators sufficient time to adopt their systems.

Ms Gautrais-Le Goff explained that, for fresh and frozen products, additional rules may be established in a delegated act to ensure that operators comply with Article 58 of the revised Fisheries Control Regulation. A draft is currently undergoing internal review at DG MARE. The co-legislators had provided detailed views on the traceability requirements for the products under chapter 03 of the Combined Nomenclature. The draft delegated act should be ready for discussion with the Member States by the last trimester of 2024. There could be one delegated act, or the different subjects could be separated into multiple delegated acts (still to be decided). She emphasised that, although a significant amount of work was ahead, it was progressing on track.

Ms Gautrais-Le Goff, on the challenges faced by processing companies, informed that the Commission services would soon be visiting Spain on a fact-finding missing to better understand the challenges faced for processed products. The aim is to allow the transmission of data and to facilitate the provision of information to consumers. Fact finding missions to other processing companies in other Member States will be performed and she count on MAC support in facilitating liaison with representative companies.

Ms Gautrais-Le Goff informed that one Member State (DE) questioned the Commission's written responses to the MAC's questions. The Commission services would be distributing the questions and answers more broadly, in particular the Member States competent authorities. There were several questions on the applicability of rules on traceability to imported products. In the view of the Commission, EU importers are first placing of the product on the market: this is the same longstanding principle for the Traceability rules in the Fisheries Control and for the traceability rules for the General





Food Safety legislation. She highlighted that there are contracts in place between operators, so they must ensure compliance with EU rules, in line with the agreement reached by the co-legislators.

<u>Stefan Meyer (Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V.)</u> thanked the Commission for the helpful responses, adding that the further circulation of the information was welcomed, particularly when trying to find practical solutions at the national level. Mr Meyer drew attention to the issue of sushi products not being covered by the current Combined Nomenclature codes. Additionally, there would be challenges in relation to mixed fish species, for example when catching two shrimp species or two hake species together.

<u>Anne Gautrais-Le Goff (DG MARE)</u> acknowledged the limits of the Combined Nomenclature classification for sushi products, which would require further work from the Commission services. However she highlighted that it is good enough and that there is no intention from the Commission services to engage into another co-decision procedure to change the references to Combined Nomenclature in those provisions of the Control Regulation. Ms Gautrais-Le Good expressed availability for bilateral exchanges on the mixed species matter. Additionally, under the delegated act, there would be an attempt to describe further what is an "aquaculture product unit", mirroring the one used in Regulation (EU) 2016/429 of the European Parliament and of the Council of 9 March 2016 on transmissible animal diseases and amending and repealing certain acts in the area of animal health (Animal Health Law) - OJ L 084 31.3.2016, p. 1 in order to avoid duplication.

<u>Poul Melgaard (Danish Seafood Association)</u>, concerning the digital element of the delegated act and the minimum technical requirements for Chapter 3 products informed that the Danish industry was already proceeding on the matter, but that the national authorities were waiting for the establishment of the additional harmonised minimum requirements. Mr Melgaard requested information on the timing of the delegated act.

<u>Anne Gautrais-Le Goff (DG MARE)</u> stated that, on the digital element and on additional minimum requirements for Chapter 3 products (to be adopted before the date of application of 10 January 2026), the Commission does not intend in principle to be further prescriptive and rather plans to use general terminology to ensure system interoperability across the value chain, as it is essentially a business-to-business system. She said that the details set already in Article 58 (5) should be clear enough. Mr Gautrais-Le Goff thanked the Danish operators for their efforts. She also expressed availability to exchange with operators about the minimum requirements that would need to be set.

<u>Pim Visser (VisNed)</u>, in reference to the amended Article 60 (Weighing) of the Fisheries Control Regulation, expressed concerns about fish weighing, particularly the impact of de-icing on fish quality, as some national authorities demand for the products to be de-iced and then iced again. Mr Visser requested information on the timeline of the delegated act and the corresponding stakeholder engagement. He added that there were similar questions concerning the international sampling plans.

<u>Anne Gautrais-Le Goff (DG MARE)</u> responded that accurate weighing was a key issue in the Fisheries Control Regulation and that the Commission has engaged and will continue to engage with stakeholders and authorities on the matter. She confirmed that the Commission will be working to adopt detailed implementing rules before 2026 and expressed availability to transmit Mr Visser's





concerns to the relevant colleagues. The issue of weighing was a horizontal concern for several Advisory Councils. Mrs Gautrais-Le Goff recalled also that EFCA has been tasked by the Commission to further deepen the application of the rules on weighing in a view to deliver recommendations in particular on harmonised sampling plans.

<u>Pim Visser (VisNed)</u> emphasised the issue of loss of quality of the products, arguing that it was an urgent issue that should be solved before 2026.

<u>Anne Gautrais-Le Goff (DG MARE)</u> responded that it was not a new subject and has been tackled since 2011 but continue not to be applied equally in the different Member States contributing to an unlevel playing field for operators. She advised Mr. Visser to liaise primarily with the main interlocutor on the matter – i.e. Dutch fisheries Control authorities. She added that the Commission services would be available to provide clarifications on the matter to both operators and authorities if needed.

<u>Pim Visser (VisNed)</u> suggested defining loss of quality in the implementing act to help operators, particularly since the control authorities disagree with operators on this issue.

<u>Aodh O'Donnell (IFPO)</u> expressed agreement with Mr Visser and called on EFCA to engage with stakeholders in Ireland and in the Netherlands.

<u>Janne Posti (Conxemar)</u> emphasised that it was important to have full clarity when referring to products under Chapter 03 and Chapter 16 of the Combined Nomenclature, since Chapter 03 includes some processed products, such as salted and smoked fish.

<u>Anne Gautrais-Le Goff (DG MARE)</u> agreed with Mr Posti that under Chapter 03, one can indeed consider that they are some "processed " products; but she repeated that this is as it is and we will have to continue to leave with the references to the Combined nomenclature which are overall quite good.

<u>Gerd Heinen (DG MARE)</u> stated that the Combined Nomenclature referred to global standards and included explanatory notes.

The <u>Chair</u> drew attention to potential difficulties in the use of references to Combined Nomenclature, for example for products made of multiple species of shrimp, and called for caution in changing anything.

<u>John Lynch (ISEFPO)</u>, regarding weighing, mentioned that, in Ireland, nephrops¹ were frozen at sea, which could cause issues of traceability due to the weighing of the water as if it was a fishery product. This practice could lead to an overestimation of the stocks.

<u>Anne Gautrais-Le Goff (DG MARE)</u> acknowledged the complexities of the weighing rules and derogations thereof, and the lack of harmonised implementation across the EU. The Commission services were hopeful that the loopholes could be closed with the future implementing and delegated acts. Ms Gautrais-Le Goff thanked the members for the transparent dialogue.

¹ Norway lobster





• Way forward

The <u>Chair</u> thanked Ms Gautrais-Le Goff. The Chair stated that there were still some outstanding questions and expressed hope that exchange with the Commission services will continue on the important matter of Traceability, including at the next meeting in September 2024.

Withdrawal of the United Kingdom from the European Union ("Brexit")

• Presentation on the implementation of the United Kingdom's Border Target Operating Model by Working Group Chair

The <u>Chair</u> highlighted that DEFRA and the EU Member States with ports in the English Channel communicated frequently. The UK and the French authorities exchanged numerous times, and no major problems were identified by the operators. The Chair encouraged members to indicate any potential problems, which would determine whether advice should be drafted.

• Exchange of views

The <u>Secretary General</u> recalled that, under the Work Progamme of Year 8 (2023-2024), there was a commitment to produce advice on the Border Target Operating Model. To receive the financial operating grant provided by DG MARE, the MAC must meet at least half of the commitments made in the annual work programme.

• Way forward

The <u>Chair</u> proposed not to proceed with advice on the matter.

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

• Presentation of proposal of advice on application of the Forced Labour Regulation and the Corporate Sustainable Due Diligence Directive by Vanya Vulperhorst (Oceana)

Click <u>here</u> to access the presentation.

<u>Amélie Laurent (Oceana)</u>, due to the time limitations, suggested to reschedule the presentation and the consideration of the draft advice to the September 2024 meeting.

• Presentation of recent reports on IUU fishing and human rights violations in China by Julien Daudu (Environmental Justice Foundation)

Click <u>here</u> to access the presentation.

<u>Julien Daudu (EJF)</u> delivered a presentation on recent reports on IUU fishing and human rights violations in China. Mr Daudu recalled that, previously, the MAC adopted joint advice with the LDAC on the matter. He explained that China has the world's largest distant-water fleet and operated around the world. The Chinese fleet is associated with IUU fishing and forced labour practices.





Mr Daudu outlined the investigative methods of his association, which included both qualitative and quantitative approaches. EJF produced several reports, include the "Ever-Widening Net" report that featured interviews with over 100 crew members who witness labour violations and IUU fishing practices, including shark finning. The report also considered enforcement and open-source data, which revealed extensive illegal activity. According to the investigations of his association, in West and Central Africa, China was monopolising the trawl sector and engaging in illegal activities. Similar problems took place among the longline fishing fleet. The Chinese long-distance fleet was committing systematic violations that transcended gear type or vessel size. Therefore, there was a need for action by international organisations, national legislators, and by coastal port authorities.

Mr Daudu highlighted that some of the catches from Chinese IUU fishing fleets were likely to enter the EU market. In the 2018/2019 period, there were about 20.000 consignments from China, while only limited verifications by the Member States took place. Therefore, Member States needed to do more on import controls and improve transparency. More transparency was also needed in the context of Sustainable Fisheries Partnership Agreements and the EU-China dialogues. He outlined several recommendations by EJF to the European Union.

The <u>Chair</u> mentioned that Senegal had recently received a "yellow card", which was linked to the country's absence of control on IUU fishing practices, including concerns about Chinese vessels permitted to enter their ports. The Chair asked Mr Daudu whether he had reviewed the reply from the Commission to the MAC-LDAC advice and whether it had addressed some of the concerns raised in the presentation.

<u>Julien Daudu (EJF)</u> confirmed that his organisation had reviewed the Commission's response, noting that, while efforts were being made in the right direction, it was also somewhat "business as usual". Mr Daudu called for stronger measures and a stronger dialogue, including with third countries. He emphasised that the fishing fleet was part of a greater geopolitical discussion. There were several questions on human rights. He suggested that the MAC should exchange with the Commission on the response to the joint advice. To fully address the issue, trade topics should be addressed across the Commission services, avoiding a siloed approach.

<u>Stefan Meyer (Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V.)</u> asked about the percentage of Chinese long-distance fishing products entering the EU market, emphasising the importance of obtaining this information so that the MAC could address the issue in future advice. In his view, the presented figure of 20.000 issued catch certificated provided an unclear picture. It was important to understand the ultimate beneficial owner, as there were issues linked to international organised crime.

<u>Julien Daudu (EJF)</u> responded that it was not possible to provide an informed response due to the lack of transparency in the supply chain. There were other reports with information about companies that were submitted to the Commission for verification.

The <u>Chair</u> wondered whether the EU market was an important market for Chinese products, especially since there was raw material from the EU that was processed in China and then returned to the EU market.





<u>Julien Daudu (EJF)</u> responded that, although it was extremely difficult to evaluate the penetration of worldwide Chinese caught products in the Chinese market, it remained evident that the EU market is extremely valuable for Chinese products. Japan and USA are also prime markets for Chinese products. Therefore, EJF would be looking into the issue of Chinese IUU fishing products entering other markets.

Javier Barón Fernández (Spain) emphasised that, given the relationship between the market of fishery and aquaculture products and labour standards, Spain believed that it was critical to promote the ratification of the International Labour Organisation's Convention 188 on Work in Fishing. Mr Barón emphasised the importance of a responsible consumption of fishery products, emphasising that Member States should play a larger role in assisting consumers in avoiding products sourced from IUU fishing practices.

Julien Daudu (EJF) expressed agreement with Mr Barón.

• Consideration of the draft advice

The <u>Secretary General</u>, concerning the draft advice proposed by Oceana, informed that he received preliminary feedback from AIPCE-CEP questioning the added value, as the issue had been addressed the previous year under the advice on forced labour in the market. Therefore, the Secretary General encouraged Oceana and AIPCE-CEP to exchange on the matter.

• Way forward

The <u>Chair</u> proposed to reschedule the consideration of the draft advice on the application of the Forced Labour Regulation and the Corporate Sustainable Due Diligence Directive to the September 2024 meeting.

Better protecting sharks through sustainable fishing and trade

• Consideration of draft advice on protecting sharks through sustainable fishing and trade

The <u>Chair</u> recalled that, at a previous occasion, the Working Group agreed to develop advice on the topic of protecting sharks through sustainable fishing and trade. Input was provided by Conxemar, OPP Burela, FEDEPESCA, Europêche, and ORPAGU. Among the contributing members, there seemed to be agreement on the recommendations.

The <u>Secretary General</u> outlined the recommendations listed in section 5 of the draft advice.

Louis Lambrechts (WWF), concerning recommendation a) on engagement with stakeholders and scientific institutes, suggested including a specific mention of Regional Fisheries Management Organizations (RFMOs) to highlight their role in addressing the issue.

<u>Vanya Vulperhorst (Oceana)</u> expressed support for Mr Lambrechts's suggestion. Concerning recommendation b), Ms Vulperhorst emphasised that there were other measures, besides an absolute EU ban, that could protect the blue shark. She suggested including references to the promotion of the EU's "Shark Fins Naturally Attached" policy in the context of RFMOs, to better defined catch limits for blue sharks and shortfin mako sharks based on scientific advice, and on the





implementation of good management procedures and effective bycatch measures. She also suggested referring to "targeted" instead of "caught".

Concerning recommendation e), Ms Vulperhorst underscored the importance of implementing the "Shark Fins Naturally Attached" policy and of accurately tracing shark parts over an EU ban on the trade of loose shark fins. She also suggested the introduction of a new commendation to emphasise the importance of pursuing an international prohibition on the trade of shark fins from third countries that not adhere to the "Shark Fins Naturally Attached" policy.

<u>Julien Lamothe (ANOP)</u> expressed general concern about the limitations in the draft recommendations, arguing against explicitly referencing specific shark species (i.e., blue shark, shortfin mako shark) in the recommendations.

<u>Vanya Vulperhorst (Oceana)</u> responded that blue shark and shortfin mako shark were the main target species for the EU fishing fleet. Therefore, for the NGO members, specifying these species was essential to reach consensual agreement on the recommendations.

<u>Daniel Voces (Europêche)</u> highlighted that there were already catch limits defined by RFMOs for these species. Concerning recommendation f), Mr Voces argued that imposing the EU's "Shark Fins Naturally Attached Policy" internationally would violate WTO rules, so the recommendation would need to be redrafted.

Louis Lambrechts (WWF), concerning the respect for WTO rules, stated that it was important to maintain the message, while allowing for the Commission to assess the legality and feasibility.

<u>Paul Thomas (EAPO)</u> agreed with Mr Lamothe that any specific references to species should be removed, expressing concern about the references to fisheries management measures.

Julien Lamothe (ANOP) argued that there were other shark species that were relevant.

<u>Vanya Vulperhorst (Oceana)</u> underscored the importance of specifying the species, in order to reach consensus on the draft advice.

<u>José Beltrán (OPP Burela)</u> explained that the EU fleet primarily catches blue shark in the North Atlantic Ocean and shortfin mako shark in the South Atlantic Ocean. Decisions are made to ensure the sustainability of these species, including post-landing fin cuts and land-based processing practices. Mr Beltrán argued that EU fleets are subject to stringent scientific controls and follow scientific advice, which states that neither species is being overfished. He further argued that other fishing fleets, particularly Asian fleets, do not follow these standards, emphasising the need for recommendations to address third-country fleets. For several years, in the RFMOs, there were requests to introduce the "Shark Fins Naturally Attached" policy, which is not followed by Asian fleets.

<u>Daniel Voces (Europêche)</u> emphasised the importance of prohibiting the import of fins into the EU market without penalising EU operators. He suggested amending recommendation f) to reflect this.

<u>Vanya Vulperhorst (Oceana)</u>, for recommendation g) on likely environmental impacts, suggested deleting the term "negligible."





<u>Daniel Voces (Europêche)</u> proposed removing "due to the size of the EU fishing fleet," emphasising the significance of shark catches in the EU for scientific data.

<u>Juan Manuel Trujillo Castillo (ETF)</u> asked for Ms Vulperhorst to clarify the definition of "Shark Fins Naturally Attached", as the emphasis should be on the fins being attached, not on the natural part.

<u>Paul Thomas (EAPO)</u> expressed concern that the draft advice overly focused on production by the EU fishing fleet, instead of a market perspective. In his view, this approach raised questions concerning the respect for the competences attributed to the MAC.

The <u>Secretary General</u> responded that main focus of the draft advice was the international trade of shark fins, which was a competence of the MAC, instead of fisheries management.

Louis Lambrechts (WWF) clarified that the reference to "naturally" in the "Shark Fins Naturally Attached" policy meant that the fins cannot be artificially reattached, ensuring traceability. Mr Lambrechts emphasised the importance of addressed the topic of the trade of shark fins in the MAC. In his view, it would be appropriate to include a recommendation on more specific catch certificates for shark products. Under the CATCH IT tool, which includes a risk assessment system, it could be possible to flag imports from countries with inadequate rules on shark finning.

• Way forward

The <u>Chair</u> expressed confidence that consensus would be reached on the draft advice, in line with the established practices of the MAC. The Chair suggested that the Secretariat should undertake informal exchanges with the most interested members, in order to fully reach consensus and to simplify certain sections of the text, while maintaining the general agreement reached by the Working Group on the recommendations. Afterward, a formal written consultation of the Working Group would take place.

The <u>Secretary General</u> expressed agreement with the approach suggested by the Chair.

AOB

None.





Summary of action items

- Trade Agreements & Trade Policy Instruments
 - Based on the interventions made at the meeting, Secretariat to prepare draft advice on the EU-Norway trade relationship, which will be followed by an urgent written procedure.
- Place of China in the Global Supply Chains of Fishery and Aquaculture Products
 - Presentation and proposal of draft advice on application of the Forced Labour Regulation and the Corporate Sustainable Due Diligence by Oceana to be rescheduled to the September 2024 meeting.
- Better protecting sharks through sustainable fishing and trade
 - Secretariat to informally exchange with the most interested members, to fully reach consensus on the draft advice and to simplify the text, while maintaining the general agreement reached by the Working Group on the recommendations.
 - After informal agreement is reached among the most interested members, a formal urgent written consultation of the Working Group to be launched.





Attendance List

Representative	Organisation	Role
Alonso Abreu Lozano	OPP80 Punta del Moral	Member
Amélie Laurent	Oceana	Member
Anna Rokicka	Polish Association of Fish Processors (PSPR)	Member
Anne Gautrais-Le Goff	European Commission	Expert
Aodh O'Donnell	IFPO	Member
Arthur Yon	FROM Nord	Member
Bruno Guillaumie	European Molluscs' Producers Association (EMPA)	Member
Daniel Voces de Onaíndi	Europêche	Member
Emiel Brouckaert	European Association of Fish Producers Organisations (EAPO)	Member
Garazi Rodríguez Valle	APROMAR	Member
Gerd Heinen	European Commission	Expert
Guus Pastoor	Visfederatie / EU Fish Processors and Traders Association (AIPCE)	Member
Iñigo Azqueta Ruiz-Gallardón	ANFACO-CECOPESCA	Member
Janne Posti	Conxemar	Member
Jarosław Zieliński	Polish Fish Producers Association (PFPA)	Member
Javier Barón Fernández	Spain	Observer
Jean-Marie Robert	Les Pêcheurs de Bretagne	Member
Jens Høj Mathiesen	Danish Seafood Association	Member
John Lynch	Irish South and East Fish Producers Organisation (ISEFPO)	Member
José Beltrán	OPP Burela	Member
José Carlos Escalera	Federación de Cofradías de Pescadores de Cádiz (FECOPESCA)	Member
Juan Manuel Trujillo Castillo	European Transport Workers' Federation (ETF)	Member
Julien Daudu	Environmental Justice Foundation (EJF)	Member
Julien Lamothe	ANOP	Member





Representative	Organisation	Role
Katarina Sipic	EU Fish Processors and Traders Association (AIPCE) / European Federation of National Organizations of Importers and Exporters of Fish (CEP)	Member
Louis Lambrechts	WWF	Member
Luis Molledo	European Commission	Expert
Mariano García García	Cofradía "Virgen del Carmen" de Isla Cristina	Member
Nicolás Fernández	Organización Productores Pesqueros Artesanales Lonja de Conil (OPP72)	Member
Paul Thomas	European Association of Fish Producers Organisations (EAPO)	Member
Pawel Szatkowski	European Commission	Expert
Pedro Luis Casado López	Asociación de Armadores Punta del Moral (OPP80)	Member
Pedro Reis Santos	Market Advisory Council (MAC)	Secretariat
Pierre Commère	PACT'ALIM	Chair
Pim Visser	VisNed	Member
Poul Melgaard	Danish Seafood Association	Member
Roberto Alonso	ANFACO-CECOPESCA	Member
Rosalie Tukker	Europêche	Member
Stefan Meyer	Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V.	Member
Vanya Vulperhorst	Oceana	Member
Yobana Bermúdez Rodríguez	EU Fish Processors and Traders Association (AIPCE)	Member

