



EU Fish Processors and Traders Association
Association des Industries du Poisson de l'UE

EU Federation of National Organisations of Importers and Exporters of Fish
Comité des Organisations nationales des importateurs et exportateurs de poisson de l'UE

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AIPCE-CEP position regarding the Green Paper on the Reform of the Common Fisheries Policy

Introduction

In the context of the current consultation on the Green Paper on the Reform of the Common Fisheries Policy (CFP hereinafter), AIPCE-CEP stresses that the interests of all stakeholders should be considered.

In particular, the Green Paper understates the importance of the processing industry: its contribution to the provision of healthy fishery products to EU citizens is very significant. Furthermore, it represents 130.000 employees, a considerable proportion of whom are female, 4.000 enterprises and a production value of around 20 billion € (Eurostat figures). The EU processing industry is mostly located in coastal areas and contributes to maintaining economic activity in these areas. The activity of fish traders and associated businesses who supply services to the processing industry also make a significant contribution to employment and wealth creation. Therefore ensuring adequate supplies to these industries is vital for the social and economic sustainability of the wider economy.

The EU market for seafood is growing and is being provided by EU fisheries and aquaculture at 35% and by imports at 65%¹. Consequently for further growth the supply from both EU and third countries has to be assured. Indeed certain parts of the processing industry will only remain in the EU as long as imports are available. The loss of these industries would have an adverse effect on the EU catching sector as there would be fewer buyers for their product.

Furthermore, the processing industry in the EU has developed new and growing markets with new products and consumers and should therefore be seen as a promoter of a wider EU industry which is interlinked with the whole food industry. By providing easy to eat/convenient products to consumers, the processing industry's activities benefit the whole of the marketing chain. As the Study on the supply and marketing of fishery and aquaculture products in the European Union (DG MARE, May 2009) indicates, one of the main challenges in terms of trade and markets is to improve competitiveness of the processing industry. In the future the competition with emerging countries to obtain sufficient raw material will increase and in order to keep and further stimulate the EU processing industry, restrictions to the access to raw material must be abolished.

For a Common Fisheries Policy to be successful, it has to be fully connected to the market and take into account the interests of the whole value chain.



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Analysis

AIPCE-CEP shares the vision presented by the Green Paper and welcomes its analysis concerning the current CFP. Nevertheless we would like to point out that on the whole the outcome should not be so gloomy since there have been some positive developments such as stocks recovery, reduction of the fleet overcapacity and a first step to more decentralised approach through Regional Advisory Committees (RACs hereinafter).

As regards the five structural failings signalled in the Green Paper, AIPCE-CEP agrees that these are actually shortcomings which the reform will have to solve.

At the same time it is worth noting that another failure of the CFP has been communication in general - the communication between the European Commission and industry, science and industry, as well as communication between the European Commission and Member States - which has hindered the implementation. There has also been a failure in public communication, with insufficient information about stocks and initiatives in place. This has sent confusing signals to consumers and damaged the fish sector's public image.

Our observations on the structural failings are as follows:

1. Addressing the deep-rooted problem of fleet overcapacity

AIPCE-CEP considers that overcapacity should be dealt with on a case-by-case basis. There is need for a regional approach and for a management system. Equally, it is important to make an analysis of cost per unit to tackle the problem of overcapacity.

The use of economic instruments should be the key principle while addressing social objectives with other policies. Rights-based management should be favoured as it makes a much closer link to the way the capacity issue can be tackled in economic terms. However its implementation should be adapted to the particular cases and with the flexibility to be used when desired.

To avoid any distortion of competition between member states, there will have to be some degree of harmonization across the EU in the way such policies are implemented.

2. Focusing the policy objectives

Ecological objectives must be the priority, as without environmentally sustainable fish stocks there can be no socio-economic sustainability. It is vital that they are sound, evidence based and reliable in scientific terms (there is need for more funds, better cooperation and increase of number of scientific bodies involved). At the same time, the measures to achieve the different objectives have to be interlinked so that there is a coherent integrated approach in the long run.



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The CFP should therefore aim at ecological sustainability while job creation should be addressed by separate socio-economic policies.

Indicators should be defined on the basis of science with proper stock assessments and in active cooperation with fishermen.

3. Focusing the decision-making framework on core long-term principles

The advice from ACFA (Advisory Committee for Fisheries and Aquaculture) and RACs should be taken into account on a regular basis. ACFA's role can be enhanced by allowing it a greater independence in terms of advice (e.g. the European Parliament could control to which extent ACFA's advice is considered in the policy-making).

Under the current CFP, the decision-making is centralised. This system discourages the development of solutions through practical rules based on sound market principles.

The future decision-making framework should be based on a structure where the general goals are determined at a centralised level while the more concrete measures needed for the correct implementation should be proposed by a regional body (i.e. the existing RACs should be giving binding advice in this respect), so that the decision-making for technical elements is closer to where it will be applied.

When establishing this system, any duplication of structures/roles should be avoided and an increased scientific participation should be promoted.

4. Encouraging the industry to take more responsibility in implementing the CFP

In a rights-based management system, Producer Organisations (POs hereinafter) may well be best placed to handle it. Therefore an enhanced PO role could be the way forward. But POs would have to be fully committed to managing the resource properly and there would have to be effective sanctions to ensure that they fulfilled their role responsibly.

The intervention and carry-over systems entail significant administration costs while having little impact on the market. These mechanisms should be abolished as they cannot function effectively in the present global market for many fish species. Furthermore, they may be contrary to sustainability objectives. AIPCE-CEP proposes a study to examine whether a system of income support to primary producers could better meet the social objectives.

If an intervention system is maintained it should be based on up to date - and more reliable data.

In order to eliminate discards it is worth facilitating investments for better techniques adapted to the specific needs of particular fisheries. More responsibility and compliance by operators will be key for the policy against discards. All fish caught should be landed



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although minimum marketing standards should be retained. The resulting lack of market for small fish would act as an economic disincentive to producers.

5. Developing a culture of compliance

National authorities will have to ensure controls are carried out while the Commission should ascertain that there is a level-playing field in the control across EU countries.

It is worth noting the importance of ensuring compliance by all Member States by applying severe penalties. When trying to instil a culture of compliance, any unnecessary rigidity has to be avoided. Decentralisation is the better approach as long as operators do not face a distortion of competition (for instance currently producers in Member States that do not apply proper control systems enjoy an economic advantage over producers in member states that operate effective controls).

Trade and markets

Being in particular very concerned about the section *Trade and markets –from catch to consumer*, we would like to add some comments to inform the debate on reform:

- It is necessary to have the broadest possible approach to the analysis of the reform. All efforts are currently being focused on primary production, not the market as a whole. It is important to look at the market and respond to market signals, not forgetting that the EU market is a part of a wider international market.
- In considering the market it is necessary to analyse both prices and production costs and to bear in mind that fishery products have to compete with other protein products. Reform of the Common Fisheries Policy must consider not only prices for primary producers but also their costs. For example, fleet overcapacity may lead to relatively high production costs.
- Structural funds must not distort the market nor prevent normal market forces from delivering efficiencies to the catching sector. Structural policy must also support and be compatible with the CFP's other aims, particularly the sustainable exploitation of fish stocks. Furthermore it should stimulate innovation both in the fleet and in the processing industry (e.g. for market and product development).
- The CFP should support third party certification and labelling initiatives by presenting a clear framework of minimum standards. This will enhance informed consumer choice and provide further market stimulus.
- Pos and interbranch organisations can play an essential role in the Common Market Organisation through fisheries management matching supply with demand more effectively so satisfying market requirements in terms of supply quantity, quality and regularity.



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- The main role of trade policy is to ensure a stable supply of fishery and aquaculture products to the EU market so that the trade policy allows the processing industry to seek alternative supplies when community output is lacking or absent. Maintaining an efficient EU processing industry brings benefits not only through direct employment by processors, but also from its wider contribution to local economies e.g. through employment in allied industries, providing markets for catchers etc.
- When analysing the market it is necessary to take account of the different presentation of products, price formation, supply chain differs considerably between fresh, frozen, smoked (e.g. commodities versus small boxes) and the origin.
- In general terms the impact of imports on prices is not as significant as the Green Paper signals². At the same time, it is necessary to bear in mind that fishery products are competing in the market with other fish species and other foodstuffs and the price is an instrument to remain competitive.
- Consumers have the right to be able to make a proper and informed choice. Therefore correct product labelling and an adequate control has to be promoted.
- In terms of traceability and transparency, IUU, Control and Food-Law Legislation should be supported since it can prove the compliance of fishermen with fisheries management measures reducing the possibility to let illegally caught fish to be landed and enter the supply chain and by ensuring that there is no financial incentive for fishermen for trying to circumvent existing rules.
- External relations:

Trade agreements, are important for ensuring supplies to the EU market. Furthermore, they allow developing countries to enhance their socio-economic situation thanks to the jobs and income generated by these economic exchanges. Import duties on raw material are therefore detrimental both to the EU and to third countries. But trade agreements must have an appropriate degree of reciprocity.

As for fisheries agreements, they should be financed privately or in a public-private partnership. If public funds are allocated, the Fisheries Partnership Agreement should be focused on fisheries management control for social and sustainable objectives.

- Policies must be consistent across all the European Commission policies (DG MARE, DG TRADE, DG SANCO...).
- The CFP is not the only element which determines the income of fishermen. There should not be an expectation that the CFP can ensure a guaranteed income to fishermen. Catchers' incomes will depend on the sustainability of the relevant fish stocks.



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- In order to reduce the uncertainty on the availability of supply, long-term management plans should be established for all fisheries.
- Alternative solutions to meet the needs of a modernised market should be envisaged (e.g. Common Market Organisation for Agriculture products). Fishermen could be encouraged to develop activities other than catching (e.g. tourism).

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¹ AIPCE-CEP FinFish Study 2009

² Study on the supply and marketing of fishery and aquaculture products in the European Union indicates (DG MARE, May 2009) Pages 27-28.