THE PROCESSING INDUSTRY OF FISHERY AND AQUACULTURE PRODUCTS AND THE CFP REFORM

Mr. Juan M. Vieites Baptista de Sousa
Secretary-General
ANFACO-CECOPESCA
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- Characteristics of the current environment of the processing and trading industry of fishery and aquaculture products.
- Objectives of the Common Fisheries Policy.
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- Conclusion.
IMPORTANT OF THE PROCESSING INDUSTRY OF FISHERY AND AQUACULTURE PRODUCTS IN THE EU

CFP REFORM
Trade aspects and market organisation
Brussels, 8 April 2010
PROCESSING INDUSTRY DATA

- **Companies**
  - EU$_{27}$: 4,000
  - Spain: 658
  - Galicia: 204

  **Representativeness**
  - Spain s/EU$_{27}$: 16.5%
  - Galicia s/EU$_{27}$: 5.1%

- **Employment**
  - EU$_{27}$: 130,000
  - Spain: 22,798
  - Galicia: 18,000

  **Representativeness**
  - Spain s/EU$_{27}$: 17.5%
  - Galicia s/EU$_{27}$: 13.8%

PROCESSING INDUSTRY DATA

• **Turnover**
  
  EU$_{27}$: 18,000 million €
  Spain: 6,000 million €
  Galicia: 4,540 million €

• **Representativeness**
  
  Spain s/EU$_{27}$: 33.35%
  Galicia s/EU$_{27}$: 25.2%

Capture production EU 27 (in value)
7.000 mill. €

Aquaculture production EU 27 (in value)
3.000 mill. €

Processing industry production EU 27 (in value)
18.000 mill. €

*European Commission - DG MARE
(http://ec.europa.eu/fisheries/cfp/aquaculture_processing/processing_es.htm)
CHARACTERISTICS OF THE CURRENT ENVIRONMENT OF THE PROCESSING AND TRADING SECTOR OF FISHERY AND AQUACULTURE PRODUCTS.
It is located in coastal regions and highly dependant of the fishing.
- In the EU, more than 12 millions of tonnes of fishery and aquaculture products are commercialized, so the EU market is the leading world market, ahead of Japan and well ahead of the EE. UU.
- In the EU market, the EU industry and the industry from Third Countries compete.
- High dependence on the imports: more than 60% of the products commercialized in the EU come from the imports.
- There is a tendency in the decrease of catches.
- Pressure on the resources.
Development of the processing industry of fishery and aquaculture products, with 4,000 companies in the EU.

- Expansion of the aquaculture.
- Development of new products thanks to the R&D&I.
- Expansion of the market of products at world level.
- Increase of consumption together with the new habits and higher demands from the consumers (quality, health, information, easy to prepare, versatility,…).
- International economic, financial and energetic crisis (in a periodical way).
WHAT AIMS SHOULD THE CFP REFORM TO ACHIEVE?
**Objectives of the CFP Reform**

The Common Fisheries Policy should:

- Guarantee **fishing and trade being responsible and sustainable**, promoting the responsible and sustainable behaviour of all the stages of the fishing chain, both in environmental and socioeconomic terms.

- Assure the **socioeconomic viability and improve the future competitiveness of the fishing and aquaculture sector and its processed products.**
PROPOSALS FROM THE PROCESSING AND TRADING INDUSTRY OF FISHERY AND AQUACULTURE PRODUCTS TO THE CFP REFORM.
The European Commission mentions in its Website*:

“the value of processed fishery products produced by the sector stands at about €18 billion a year, almost twice the value of landings (7.000 mill. €) and aquaculture production (3.000 mill. €) combined”

For that reason, it is not understood how in the Green Paper, the processing and trading sector of fishery and aquaculture products, and its socioeconomic importance, has been practically ignored

*European Commission - DG MARE (http://ec.europa.eu/fisheries/cfp/aquaculture_processing/processing_es.htm)
For a successful Common Fisheries Policy, it has to be completely associated to the market and being articulated understanding the sector as integrated as a whole, with the participation in a vertical manner of the catching sector, the aquaculture, the processing industry and the trading industry.
New challenges

The rules have to develop

Guarantee balanced revenues

Market stability

Today

To guarantee responsible and sustainable fishing and trade.

To ensure the future of all the stages of fishing and aquaculture sector

Taking into account

• Decrease of catches
• Dependence on the imports
• Development of the processing industry
• Expansion of the aquaculture
• Increase of the consumption
• New habits of the consumers
• Expansion of the market of fisheries and aquaculture products at world level

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- TRADE POLICY:
Imports, supply, market access and trade with third countries

“Companies in the fish processing sector are especially vulnerable to the fluctuations in supply. To ensure a regular supply of fishery products, EU companies have to rely on imports”.

*European Commission-DG MARE (http://ec.europa.eu/fisheries/cfp/aquaculture_processing/processing_es.htm)
EU IMPORTS

- EU landings are not enough
- The raw material supply for the processing industry has to be ensured in order to increase the production and to create jobs.
- The same requirements for all players (both EU companies and Third Countries companies)
KEY FACTOR:
Necessity of ensuring the raw material supply for the processing and trading EU industry of fishery and aquaculture products.

through:

Preferential Regime, suspensions (chapter 03) and autonomous tariff quotas.

It undoubtedly helps the employment (direct and indirect), the socioeconomic development of areas where industries are located and the competitiveness and socioeconomic viability of the Community processing industry.
The EU has to promote the responsible and sustainability fishing through the trade policy, ensuring:

- the supply for the processing industry coming from responsible and sustainable fisheries and
- a responsible and sustainable production and trade.
MARKET ACCESS CONDITIONS

- They have an important role to contribute to the fishing and responsible and sustainable trade.
- To demand the same rules of competence for all the operators in the sector, both in the EU and in third countries, as regards hygienic-sanitary, fiscal, environmental, labour, IUU,…
- It is necessary to carry out all needed controls to check and guarantee that all players in the sector comply the same requirements and the traceability of the products is ensured, especially for products imported from third countries.
MARKET ACCESS CONDITIONS

The audits carried out by Food and Veterinary Office (FVO) of the EU both in processing plant and vessels, the inspections carried out by Competent Authorities in Third Countries approved establishments and the official controls at entry points of the EU, should guarantee that all imports, both raw material and, particularly, processed products, in their processing, obey the demanded regulation, which has to be equivalent and with the same high standards as products from the EU.
It has to be balanced, without benefiting third countries in detriment of the EU processing and marketing industry of fishery and aquaculture products.

A legal framework has to be developed that ensure the correct implementation of the principle of Community preference for the marketing of fishery and aquaculture products with the Community origin in the EU market.
In the framework of the **TRADE NEGOTIATIONS** for the liberalization of the markets:

*Free Trade Agreements EU-Third Countries;*
*Economic Partnership Agreement with ACP countries:*
*EPA EU-Pacific States (PNG and Fiji);*
*WTO Doha Round.*

➢ **To DEFEND actively:**

- the sensitive fishery and aquaculture products for the Community industry, as canned tuna and tuna preparations.

- the interests of the processing and trading industry of fishery and aquaculture products.
These negotiations have to be “balanced” so that the final agreement does not distort the market:

- To analyze the impact of each trade negotiation on the fishing and aquaculture sector and the processing and trading sector of fishery and aquaculture products.
- To be especially careful with regard to custom concessions, analyzing their impact on the sector.
- To maintain the current legislation on the determination of preferential origin of goods, except for the requirement of crew nationality.
- To take into account the specific and sensitive characteristics of the processing sector.
To analyze and take into account the negative impact of the exoneration of origin rules and/or tariff liberalization on processed products.

- To demand the same rules of competence for all players in the fishing and aquaculture sector and processing sector of fisheries and aquaculture products and to carry out a strong supervision and control by the Competent Authorities.

- To ensure the socioeconomic viability and competitiveness of the EU processing industry of fisheries and aquaculture products.

- Trade agreements should have an appropriate degree of reciprocity.
To improve the competitiveness, efficiency and socio-economic viability of processing and trading industry of fishery and aquaculture products in the international level.

The processing and trading industry of the fishery and aquaculture products operates more and more in an internationalized market, so it has to be established measures and instruments to ensure the competitiveness and socioeconomic viability of this sector in an international level.
It has to be provided the Community industry with legal security and stable legal framework, which is coherent with all Community policies to allow the sector plan better its activity and investment in a long term.
CONCLUSIONS
The future CFP should:

- To promote and ensure responsible and sustainable fishing and trade, guaranteeing that the IUU Regulation is obeyed.

- To guarantee the socioeconomic development of the sector.

- To guarantee the competitiveness and viability of the EU processing and trading industry of the fisheries and aquaculture products.
The future CFP should:

- To ensure the stability of the market.

- To ensure the raw material supply for the EU processing industry.

- To guarantee the equilibrium along the fisheries and aquaculture chain.

- To improve the quality and food security of the products, supervising and controlling their traceability.

- To enhance the R&D&I in the EU processing industry.
The future CFP should:

- To ensure the fulfillment of the same rules of competence for all players along all stages of the fisheries and aquaculture chain, both from the EU and Third Countries.

- All trade negotiations has to take into account the principle of Community preference.

- To defend actively the sensitive fishery and aquaculture products for the EU processing industry.
Therefore, the future CFP has to implement all mechanisms, measures and instruments to guarantee the competitiveness, the socioeconomic viability and the sustainability of the EU processing and trading sector of the fishery and aquaculture products, having a positive effect on the EU fishing and aquaculture sector.
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THANK YOU VERY MUCH