

# EUROPEAN PARLIAMENT

1999



2004

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*Session document*

FINAL  
**A5-0412/2003**

26 November 2003

## REPORT

on the tuna fleet and industry: situation and future prospects in the EU and  
worldwide  
(2003/2017(INI))

Committee on Fisheries

Rapporteur: Daniel Varela Suanzes-Carpegna

PR\_INI

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## PROCEDURAL PAGE

At the sitting of 13 March 2003 the President of Parliament announced that the Committee on Fisheries had been authorised to draw up an own-initiative report under Rule 163 on the tuna fleet and industry: situation and future prospects in the EU and worldwide.

The committee had appointed Daniel Varela Suanzes-Carpegna rapporteur at its meeting of 12 November 2002.

It considered the draft report at its meetings of 9 September, 2 October and 25 November 2003.

At the last meeting it adopted the draft resolution by 14 votes to 0, with 2 abstentions.

The following were present for the vote: Struan Stevenson (chairman), Rosa Miguélez Ramos (vice-chairwoman), Brigitte Langenhagen (vice-chairwoman), Daniel Varela Suanzes-Carpegna (rapporteur), Elspeth Attwooll, Niels Busk, Heinz Kindermann, Carlos Lage, Giorgio Lisi, Ioannis Marinos, Patricia McKenna, Camilo Nogueira Román (for Ian Stewart Hughton), Juan Ojeda Sanz (for Manuel Pérez Álvarez), Seán Ó Neachtain, Joaquim Píscarreta, Dominique F.C. Souchet and Catherine Stihler.

The report was tabled on 26 November 2003.

## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**on the tuna fleet and industry: situation and future prospects in the EU and worldwide (2003/2017(INI))**

*The European Parliament,*

- having regard to its resolution of 19 June 1998 on the fish product canning industry and aquaculture in the European Union<sup>1</sup>,
  - having regard to its resolution of 7 January 2001 on the common fisheries policies and the challenge of economic globalisation<sup>2</sup>,
  - having regard to its resolution of 13 December 2001 on the role of flags of convenience in the fisheries sector<sup>3</sup>,
  - having regard to its resolution of 14 March 2002 on the fish processing industry<sup>4</sup>,
  - having regard to its legislative resolution of 27 March 2003 on the proposal for a Council regulation establishing a tuna tracking and verification system<sup>5</sup>,
  - having regard to Rule 163 of its Rules of Procedure,
  - having regard to the report of the Committee on Fisheries (A5-0412/2003),
- A. whereas tuna is the most commercially important fishery resource at world level and at EU level,
- B. whereas the EU tuna fleet and its tuna processing and marketing industry traditionally have a special link which has been fundamental for both industries' development,
- C. whereas the fish processing and marketing industry is an essential pillar of the common fisheries policy, complementing the extractive activity of the Community fleet, which helps to secure the supply of food products of which there is a deficit in the EU market and for which there is growing demand, and whereas in the EU tuna accounts for almost 60% of canned fish,
- D. whereas the Community market for canned tuna is currently the world's most socially and economically important market in the field of fisheries and has the strongest growth and highest commercial value, and it is therefore the target for the majority of third-country industries,

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<sup>1</sup> OJ C 210, 6.7.1998, p. 295.

<sup>2</sup> OJ C 262, 18.9.2001, p. 157.

<sup>3</sup> OJ C 177, 25.7.2002, p. 224.

<sup>4</sup> OJ C 047E, 27.2.2003, p. 601.

<sup>5</sup> P5\_TA-PROV(2003)0107.

- E. whereas this market growth is upheld by the commitment to maintain quality in relation to both the fleet's fishing activity and the production of the European canning industry,
- F. whereas economic and social cohesion is one of the fundamental principles of the Union and employment is currently one of the Union's main priorities and, as was highlighted at the Luxembourg Council of 20 November 1997, it is necessary to promote those sectors which act as dynamic factors for economic activity, which help to maintain activities generating stable employment and which help to preserve the economic and social fabric of the Union's regions,
- G. whereas the EU tuna fleet and tuna canning sector figure among the industries with the longest tradition in certain European regions which depend on fishing, where they also play an extremely important socio-economic role,
- H. whereas the Community tuna freezer fleet is the largest fleet of its type in the world in terms of both size and catches, and the volume and value of its catches also make it one of the largest segments of the EU fleet,
- I. whereas both the tuna fleet and the tuna canning industry have been placed at a disadvantage by certain actions taken by the Community administration, demanding that they meet strict and costly requirements relating inter alia to health and hygiene, the environment, technology, safety at work, maritime safety and the monitoring of fishing activities, which have allowed and indeed favoured the inflow of competing products from other countries whose firms are subject to checks only on the final product and do not reach the standards required of the Community industry, as in the case with certain Asian countries, for which preferential treatment is now to be granted,
- J. whereas compliance with these requirements has obliged both the fleet and the industry to make significant investments, which has meant that its products are less competitive than those of other countries which are not obliged to meet the same requirements, and which therefore base their strategy on price in order to penetrate the Community market, unfairly competing with Community production, with the resulting implications in the tuna market,
- K. whereas tuna are among the preferred species targeted by vessels flying flags of convenience, owing to their relatively high price on the market and the fact that they are frequently caught on the high seas where control and surveillance activities are scarce; whereas flags of convenience allow ship-owners to evade the many controls (safety, conservation, hygiene, etc.) which are respected by legitimate fishing interests,
- L. whereas structural policy was introduced as a temporary aid for as long as structural problems exist in the fleet and the Community processing industry and, in particular, problems relating to renewal, modernisation and competitiveness,
- M. whereas the tuna freezer fleet was placed at a serious disadvantage in the most recent reform of structural policy, with the result that it will be virtually impossible to renew this fleet with Community funds,

- N. whereas, further, the system for monitoring imports from third countries is far from being an effective monitoring system, since data becomes available long after the commercial operations have been completed, as is the case when checks are carried out to establish whether the maximum authorised quotas for certain products have been exceeded or where rules of origin are being contravened,
- O. whereas the principle of bilateral cumulation is one of the bases of the Community trade system, and whereas it is effective and beneficial in many cases but account should be taken of exceptions to it in cases where the benefit deriving from the purchase of Community raw material leads to a drop in sales of the final product of Community firms, as a consequence of which they subsequently purchase a proportionately smaller amount of raw material, leading to the disappearance of the benefit sought when this principle was applied,
- P. whereas one of the basic principles of the Treaties establishing the Community is the principle of Community preference, which seeks to secure, in economic and industrial terms, the development, growth and improvement of the Community's own industry,
- Q. whereas the common organisation of the markets in fisheries products in the EU has permitted access to the Community market for whole frozen tuna, tuna loins and canned tuna from third countries with minimum restrictions,
- R. mindful of the liberalisation of the EU's trade relations in the international market for canned fish products, through the consolidation in GATT of a common customs tariff for some products, together with the exceptions and derogations included in it through the Generalised Systems of Preferences (GSP) and cooperation or partnership agreements, inter alia,
- S. whereas canned tuna has been considered a highly sensitive product within the EU, as demonstrated in various Community agreements in which canned tuna has received special treatment,
- T. whereas there are currently States within the EU which produce and export large amounts of canned tuna at world level (such as Spain, Italy, France and Portugal), with an industry which in turn has extremely close ties with the Community tuna fleet, which accounts for more than 20% of world catches,
- U. whereas the tuna fleet and Community tuna canning industry generate employment amounting to more than 40 000 direct jobs, Community production of whole tuna exceeds 350 000 t and production of canned tuna exceeds 400 000 t, and whereas intra-Community sales of canned products have increased by 125% in recent years,
- V. whereas, in line with the EU's own recommendations, Community tuna firms have made significant investments in third countries, above all in countries in Latin America, Africa and the Caribbean, to contribute to the development of countries covered by the GSP-drugs scheme and of ACP countries, which have agreements with the EU,

- W. mindful of Articles 2 and 3(m) of the Treaty establishing the European Community, which lay down the task of strengthening the competitiveness of Community industry,
- X. whereas it is necessary to maintain sustainable fishing and fully respect the rules for the conservation of tuna laid down by the various RFOs and, at a general level, by the FAO itself aimed at establishing responsible fishing and trade,
- Z. bearing in mind that several tuna stocks are currently in a state of over-exploitation, at least in part owing to an excess of capacity involved in the fisheries; that therefore there is an urgent need for the relevant RFOs to adopt limits on the levels of capacity that is allowed in those fisheries, which, to be effective, will require concerted cooperation among all the world's tuna RFOs in order to prevent migration of the fleets to areas with less strict controls,
- AA. mindful of the need to avoid the incidental mortality among dolphins and other species which may occur in the tuna fishery and to provide firm support for the commitments taken on by the EU in the AIDCP, as well as the other tuna RFOs to which the EU belongs, and of the need to ensure that tuna are caught with the least possible incidental catch of other species in all areas where the EU fleets operate,
1. Calls on the Commission to draw up a study on the state of tuna resources and the tuna fleet and industry and the situation and future prospects in the EU and worldwide covering, among other aspects: catches, status of the stocks, production, firms, the sector's development in recent years in the various Member States and the main competitor countries, the volume of exports and imports, employment, technical and health rules, tariff arrangements and, in general, the legislation applicable to the sector and the codification of those rules;
  2. Calls on the Commission to submit proposals to the Council and Parliament providing for a specific action plan and an overall structural support framework for the tuna sector, together with a plan to protect the tuna sector in the face of third countries;
  3. Urges the Council and Commission to carry out a detailed analysis of Community customs legislation affecting the tuna sector with a view to assessing the most advantageous arrangements for the entire sector industry;
  4. Declares that, in the event that the general interest of the Union's external trade relations or development cooperation policy make it necessary to maintain certain imports which represent market access amounting to unfair competition for Community canned tuna, they should be classed as sensitive products affected and compensatory aid should be granted to the sector;
  5. Calls for particular consideration to be shown towards the tuna sector in view of its economic importance and because it is a sector which provides a large number of jobs, both direct and indirect, affecting many other complementary and ancillary industries and industries providing other ingredients, containers and packaging, logistics and transport;



6. Stresses, further, that the sector is highly concentrated in outlying Community regions which are heavily dependent on fisheries and have a lower level of economic development than central regions of the Community;
7. Urges that products from third countries should be required to meet the same technical and health requirements and requirements relating to food safety and quality as products from the Community industry before they can be imported by the Member States;
8. Calls for the intensification of inspections on third-country products in relation to Directive 91/493/EEC on the health rules applicable to production, so that products from those countries are not subject to fewer requirements than Community production;
9. Urges the Commission to carry out thorough checks on the origin of imported products in order to prevent fraud against the consumer and unfair competition for the Community industry;
10. Points to the need to create a network of reference laboratories at Community level to uphold quality, food safety and consumer safety in relation to processed products, which would check that products marketed in the single European market meet the requirements laid down by Community rules for products produced in the EU;
11. Calls on the Commission to introduce a quality promotion policy aimed at increasing the consumption of tuna products from the Community industry, defining minimum quality standards and based on the identification of the product's origin and full and accurate information for consumers on the type of tuna packed and on the ingredients;
12. Stresses the importance of the interrelation between the Community fleet and the tuna processing sector, urging that long-term contracts be concluded between producers and their organisations and processing firms which will favour both parties, safeguarding supplies at favourable prices and on favourable conditions;
13. Calls on the Commission and Council, bearing in mind that canned products preserve the nutritional properties of foodstuffs and because of their optimum conditions for conservation and ease of transport, to promote the inclusion of Community canned tuna in its humanitarian policy on providing food and/or emergency aid for countries in need;
14. Calls on the Commission to consider the structural management of the Community freezer tuna fleet, which always operates outside Community waters and is therefore subject to management by the competent regional fisheries organisations, independently from the remainder of the fleet operating in Community waters, following the recommendations of those RFOs;
15. Commends the Commission on its action plan on IUU fishing and calls for its urgent implementation, including ways to discourage EU involvement in IUU fishing, such as preventing the export of EU-owned vessels to flags of convenience and the closing of EU ports to IUU vessels;

16. Calls on the Commission to analyse the application of medium- and long-term strategies which would foster the competitiveness of the entire tuna sector and the possible application of a special Community register for the tuna fleet;
17. Resolutely supports maintaining the current international tuna fisheries agreements and advocates their possible harmonisation and extension to other geographical areas in the Indian Ocean, the Pacific and the South Atlantic and contributing to a fair international market for tuna fisheries and the tuna processing industry;
18. Urges the Community to take the lead in developing programmes in the tuna RFOs to adapt fleet capacity in tuna fisheries to the available resources, including by the use of lists of individual vessel names which comply with the relevant rules and are allowed in the fisheries or those which do not comply and are proscribed, and which can lead to the imposition for the latter of severe commercial measures; notes that such actions will require cooperation among the various RFOs;
19. Supports, likewise, the EU's active presence in the current RFOs and advocates its presence as a full member of all existing RFOs and those which may be set up in the future; welcomes, therefore, the lifting of the veto on the Community's presence in the IATTC;
20. Asks the Commission that, bearing in mind the growing importance of the regulatory role played by RFOs in managing world tuna resources and the consequent increase in the complexity of the monitoring required by these RFOs, a unit for tuna and highly migratory species should be created within the Fisheries DG, with sufficient staff and economic resources to ensure that the commitments relating to responsible fishing and the conservation of resources which the EU has entered into through the various international agreements can be properly upheld;
21. Welcomes the fact that the provisional application of the AIDCP by the EU has led to the publication of Council Regulation (EC) No 882/2003 establishing a tuna tracking and verification system, a system whose full compatibility with AIDCP rules has been accredited by that organisation; considers that this represents, inter alia, a step towards the public recognition of the rules on responsible fishing and trade adopted in the RFOs, thus guaranteeing independent, non-discriminatory and reliable management and control; considers that, likewise, this represents a gesture of support for the system for protecting dolphins in purse-seine fisheries established by the AIDCP, whose system of observers and tuna tracking, including the dolphin safe label, is far removed from other private certification schemes which have hitherto been introduced;
22. Calls upon the Commission to clarify the relationship between the 'dolphin-safe' label that is managed by the AIDCP (an intergovernmental body to which the EU belongs) and any other 'dolphin-safe' label marketed in the EU; believes that any 'dolphin-safe' label allowed on the EU market must be transparent in its criteria and operation and reliable for consumers, so that they can rely upon the information on the label;

23. Calls upon the Commission to help maintain a stable social and employment framework, particularly in the case of women, given that women make up most of the workforce in the processing sector;
24. Calls on the Commission actively to enforce existing legislation and the necessary market controls to ban the marketing in the EU of fish products obtained in contravention of the recommendations made by the RFOs which manage world tuna stocks; insists, furthermore, that direct control be established over ports with a view to preventing the landing of tuna from countries which do not comply with the RFO catch rules, particularly in the case of ICCAT;
25. Calls upon the Commission to maintain aid which will reduce the environmental impact, the discharge of waste into the sea, the impact of gas emissions and the stench associated with the industries in question;
26. Welcomes the position adopted by the EU in ICCAT in favour of extending the necessary control measures on tuna fattening in farms - in force since 3 June 2003 and already applied previously by at least one Member State - to all contracting parties, so as to guarantee that such activities do not hinder the efforts being made to conserve these fish stocks;
27. Asks the Commission that, following the Tuna Days held on 5 and 6 June 2003, a specific advisory committee on tropical tuna should be created so that representatives of the Community tuna fleet and industry can exchange ideas within an institutional framework, thereby making the coordination of Community policies affecting the sector more effective;
28. Instructs its President to forward this resolution to the Commission and Council, the governments and parliaments of the Member States, the secretariats of the tuna RFOs to which the EU belongs, and the governments of those third countries with which the EU has signed a fisheries agreement with a tuna component.

## EXPLANATORY STATEMENT

### I. Introduction

#### 1. Tuna

Tuna, which is the generic name given to this large family belonging to the Scombridae, are a migratory, pelagic marine species found in shoals in the Atlantic, Pacific and Indian Oceans. They feed on a wide variety of fish, crustaceans and cephalopods. They generally breed in the summer months and the size and weight of adults varies considerably depending on the type of tuna, with a normal weight ranging from between 2 kg and 8 kg for smaller tuna (bonito and skipjack) to between 20 kg and 40 kg for larger species (yellowfin and others), even though the giants of the family, bluefin tuna, may reach 700 kg.

In general its meat is highly valued, although this varies widely depending on the species. In southern European countries its similarity with 'real' meat earned it the name 'sea bullock', as well as 'Carthusians' bullock', since in many monasteries it was used to replace meat in the strict Lenten fasts.

The numerous different species of tuna and their different characteristics and taste also determine their differing commercial values and contribute to the confusion sometimes found among consumers.

The globally significant tuna processing and canning industry - the world's major fish processing industry - generates a huge flow of trade, with its corresponding interests, and a specific fleet directly linked to that industry which fishes tuna in the various oceans for subsequent processing and marketing.

Canned tuna is marketed under various names depending on the species of tuna used, and it is therefore important to refer to the Latin name which accurately identifies these species, given that common names vary widely from country to country and language to language.

The species destined for the canning industry are basically tropical species caught in the Indian, Pacific and central-eastern Atlantic Oceans by a large freezer fleet. These species are: yellowfin (*Thunnus albacares*), skipjack (*Katsuwonus pelamis*) and bigeye (*Thunnus obesus*), and to a much lesser extent albacore (*Thunnus alalunga*), whose meat is highly valued but which is also highly localised in the north-eastern Atlantic and confined to essentially artisanal fleets from Spain, France and Portugal. Finally, mention should be made of bluefin tuna (*Thunnus thynnus*), caught in the Mediterranean, even though it is of little importance for the canning industry. These last two species, albacore and bluefin, raise very different issues from those relating to tropical tuna.

In conclusion, it should be pointed out that species of tuna are marketed in canned form as tuna in general or specifically as yellowfin or albacore tuna, fully preserving their excellent nutritional properties including trace elements such as iron, calcium, sodium, vitamins A, D, E, K and B and proteins with a high biological value thanks to their extremely high levels of

essential amino acids (lysine, methionine, threonine, etc.). Moreover, like other oily fish, tuna fat contains a large proportion of polysaturated fatty acids, which are extremely beneficial for our health since they reduce cholesterol levels.

## **2. Objectives of the report**

When discussing the tuna industry, one of the first aspects to be borne in mind is the interrelation between two large sectors: the extractive sector (tuna fleet) and the processing sector (canning sector). The complementarity and dependence between the two is beyond dispute.

Both sectors continue to offer an economic and social alternative to the possible decline in employment in coastal areas depending on fisheries. They are regulated by a copious and disparate amount of legislation which is influenced by the differing and sometimes contradictory objectives and interests of the various Community policies (common fisheries policy (CFP) and industrial, trade, competition, social, environmental and regional policies, etc.); and even in the context of the CFP itself they are directly or indirectly affected by the various policies contained within it, such as external fisheries policy (agreements and RFOs), structural policy and the common organisation of markets (COMs).

The tuna canning industry - which is the chief segment of the EU's fish canning sector, accounting for 60% of total production of canned fish in the Community - plays a key role in creating employment both directly and indirectly. It has recently been losing some of its market share to the more modern and dynamic fish freezing and ready-meal industry, and it has also been faced with Community policies and agreements with third countries which have damaged the sector and jeopardised both its survival and, as a direct consequence, that of the Community tuna fleet.

The tuna fleet is one of the most important sectors of the Community fleet operating in non-Community waters. The recent reform of the CFP has damaged this important sector of the fleet, chiefly as regards structural aspects.

The objective of this report is to make an in-depth study from a political and technical angle with a view to coordinating Community policies affecting the entire tuna industry (fishing and canning) and making it possible to harmonise joint policies which will foster the continued existence of this important part of the fishing industry and its possible expansion within the EU itself and in the Community's partner countries.

It should also be pointed out that we will focus chiefly on tropical species of tuna, which represent 90% of the tuna processed by the Community canning industry and caught by our large freezer fleet. The bulk of world trade in tuna is also concentrated on these tropical species, as are the problems posed with regard to the international rules issued by the competent international bodies which are now being considered by the WTO in relation to tariffs, generalised preferences, trade and technical barriers, etc., as well as the corresponding international trade negotiations conducted by the EU. This report therefore focuses on the worldwide and European issues raised by fishing for and processing the tropical tuna caught by the freezer fleet operating in distant waters and consequently subject to the regulations issued by the various RFOs or to the international fisheries agreements signed by the EU, and

which must compete with other fleets or industries in European and world markets.

## **II. The EU and the world tuna market**

Tuna constitutes the main sector of production for the Community and world canning industry. Recent years have seen a constant increase in consumption of tuna. The great demand for this product, the large number of countries catching and processing it, the impact which this demand has had on catches, the growing use of frozen tuna loins which facilitates the transport of the 'usable' product for canning purposes, the diversity of species, quality and prices and the internationalisation and liberalisation of the market, combined with the continued existence of preferential trade agreements, help to create, alongside other factors, an intricate set of circumstances which makes today's market for tuna particularly complex.

As mentioned above, tuna accounts for almost 60% of total production of canned fish in the EU. Spain, France and Portugal are producer and processor countries. Italy is a major processing country.

One of the basic problems affecting the competitiveness and preservation of the Community canning industry is the supply of raw material. In 1993 world catches of tuna, including all species, reached 3.2 million t, a trend which has been continuing upwards with catches exceeding 4 million t in 2000 (an increase of 27%).

World production of canned tuna rose from 780 000 t in 1984 to 1.6 million tonnes in 1993 (138 million tins). Strong competition from products from various third countries at very low prices has had an impact on the price of Community products, which would otherwise risk losing their competitiveness and market share.

In addition to the traditional granting of preferences to ACP countries, which already enjoyed tariff-free access, preferential agreements have now been signed with other third countries such as those of the Central American Common Market (CACM) and the Andean Pact as part of the fight against drugs, and the recent inflow from south-east Asian countries following the opening of tariff quotas is creating a major market convulsion which merits close attention and monitoring. The main exporters of raw material are Taiwan and Korea. Thailand, which has a dynamic canning industry, has nevertheless become the country's main importer for its own industry (407 000 t in 1993), followed by Japan (for fresh fish and sashimi) and the US for its canning industry. Thailand is the world's chief exporter of canned tuna, with around 250 000 t per year.

Within the EU, Spain and Italy (chiefly loins) are the main importers of raw material. France benefits chiefly from its agreements with ACP countries and is the EU's main exporter of raw material, followed by Spain, with both countries' exports being destined for the EU itself as well as the US.

In terms of production, the EU currently produces around 350 000 t of canned tuna per year, making it the world's main producing region for canned tuna.

Around 550 000 t of canned tuna are consumed in the EU each year, of which the EU itself supplies more than 65%, with the remainder being imported from third countries.

Virtually all Community production is processed in four countries of the Community. Spain, which produces 175 000 t of canned tuna, accounts for more than 54% of Community production, followed by Italy, whose production of around 120 000 t accounts for 28%. France produces around 50 000 t, equivalent to 14%, and finally Portugal's production of 20 000 t accounts for 6%.

Trade in canned tuna between Community countries is strong and the trend is clearly positive, with figures rising by 125% in recent years. In 1997 (Eurostat data) intra-Community sales of canned tuna stood at 77 000 t, rising to almost 173 000 t in 2002. This underlines the great importance of the intra-Community market for countries producing canned tuna in the Community, almost 50% of whose production is destined to supply the EU.

The tuna canning industry represents 60% of Spain's total production of canned fish, with corresponding figures of 90% for Italy, 55% for France and 40% for Portugal.

### **III. The Community tuna fleet: situation and future prospects**

#### **1. Introduction**

The Community tuna fleet started to develop at an industrial level in the 1960s, when developments in freezing techniques on board fishing vessels made it possible to construct freezer tuna vessels capable of operating far from their home port. The Community fleet's first such expeditions were to zones in the east Atlantic (Mauritania - Senegal), and gradually extended throughout the tropical east Atlantic down to Angola. In the 1970s some Spanish companies started to fish in waters of the tropical east Pacific and have since maintained their presence there, which increased in the mid-1990s. Before then, however, in the 1980s, part of the European fleet started to explore the tropical west Indian Ocean, which has since become the main fishing ground for the Community fleet.

The two main species in this fishery are yellowfin (*Thunnus albacares*) and skipjack (*Katsuwonus pelamis*), which are the two most widely caught species of tuna in the world (1.2 and 2 million t respectively). Both species are of circumtropical distribution, and the main purse-seine catch areas are the west Pacific (1 million t), east Pacific (600 000 t), west Indian Ocean (400 000 t) and east Atlantic (200 000 t)<sup>1</sup>.

The Community tuna fleet is the largest in the world in absolute catch terms (350 000 t/year) and is one of the main sectors of the Community fleet in terms of both volume of catches and marketing value. As indicated above, its presence in the three main oceans enables it to make a key contribution to supplying the Community canning industry.

With 67 vessels (Table 2) the Community tuna fleet is the largest in the world in terms of vessel capacity (127 000 GT), if not in terms of the number of vessels. The Community fleet accounts for around 18% of world tuna capacity, and it achieves this figure with 11% of world vessels. The only three Community countries with a purse-seine tuna fleet are Spain (39 vessels), France (27 vessels) and Italy (1 vessel), although the last is managed by a French

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<sup>1</sup> FAO figures (FishStat 2003), approximately rounded up.

company and is therefore traditionally considered as a French vessel.

The Community tuna fleet has been catching more than 300 000 t/year since 1988, chiefly yellowfin and skipjack. Since that year, catch levels have been maintained at an average of 350 000 t/year, reaching almost 400 000 t in 1995 and 1999 and declining sharply in 1997 and 1998, though without falling below 300 000 t/year. Nevertheless, the relative size of Community catches by comparison with world catches has fallen.

**Table 1 - Catches by the Spanish and French purse-seine tuna fleet, added to give the Community total, total world catches by purse-seine tuna fleets and the relative size of Community catches by comparison with world catches from 1988 to 2001**

<b>Year</b>	<b>Spain</b>	<b>France</b>	<b>EU total</b>	<b>World seiners</b>	<b>% EU/world seiners</b>
<b>1988</b>	188.993	134.608	323.601	1.301.100	25%
<b>1989</b>	205.667	125.791	331.458	1.382.274	24%
<b>1990</b>	212.023	136.819	348.842	1.512.207	23%
<b>1991</b>	229.503	149.154	378.657	1.720.818	22%
<b>1992</b>	195.041	151.794	346.835	1.731.524	20%
<b>1993</b>	217.661	168.762	386.423	1.680.554	23%
<b>1994</b>	208.620	173.118	381.738	1.765.061	22%
<b>1995</b>	240.096	152.563	392.659	1.815.323	22%
<b>1996</b>	212.093	143.201	355.294	1.706.393	21%
<b>1997</b>	201.750	117.501	319.251	1.791.990	18%
<b>1998</b>	199.872	107.878	307.750	2.013.912	15%
<b>1999</b>	259.945	133.818	393.763	2.077.759	19%
<b>2000</b>	222.855	134.724	357.579	1.950.971	18%
<b>2001</b>	230.663	125.508	356.171	2.092.839	17%

As shown in Table 1, the relative size of Community catches has fallen in the last five years as a consequence of the increase in catches by third countries, particularly Asian countries operating in the west Pacific, whilst Community levels themselves have remained stable.

Table 2 shows the development of the Community tuna fleet in the past ten years. There has been a clear reduction in the number of vessels (from 85 to 67).

**Table 2 - Statistics for the European purse-seine tuna fleet in number of vessels, power in KW and tonnage in GT from 1992 to 2002**

	Number of vessels			KW			GT		
<b>Year</b>	<b>France</b>	<b>Spain</b>	<b>EU Total</b>	<b>France</b>	<b>Spain</b>	<b>EU Total</b>	<b>France</b>	<b>Spain</b>	<b>EU Total</b>
<b>1992</b>	34	51	<b>85</b>	84.083	129.305	<b>213.388</b>	53.004	76.089	<b>129.093</b>
<b>1993</b>	34	48	<b>82</b>	84.083	121.952	<b>206.035</b>	53.004	78.306	<b>131.310</b>
<b>1994</b>	35	48	<b>83</b>	88.398	121.952	<b>210.350</b>	54.376	78.306	<b>132.682</b>
<b>1995</b>	32	44	<b>76</b>	80.219	120.261	<b>200.480</b>	50.554	77.306	<b>127.860</b>
<b>1996</b>	32	44	<b>76</b>	81.232	116.161	<b>197.393</b>	50.309	77.106	<b>127.415</b>



<b>1997</b>	31	41	<b>72</b>	84.471	105.261	<b>189.732</b>	52.647	68.601	<b>121.248</b>
<b>1998</b>	30	43	<b>73</b>	81.601	118.392	<b>199.993</b>	50.897	78.462	<b>129.359</b>
<b>1999</b>	29	40	<b>69</b>	78.810	109.983	<b>188.793</b>	49.672	73.454	<b>123.126</b>
<b>2000</b>	28	39	<b>67</b>	77.117	112.025	<b>189.142</b>	48.727	75.976	<b>124.703</b>
<b>2001</b>	27	39	<b>66</b>	74.290	112.025	<b>186.315</b>	47.747	75.976	<b>123.723</b>
<b>2002</b>	28	39	<b>67</b>	77.935	114.117	<b>192.052</b>	50.267	77.175	<b>127.442</b>

As shown in the table, the European fleet as a whole has declined by around 5000 GT and 16 vessels since 1994, whilst at the same time it is the only fleet to have reduced its size and maintained stable catch levels over the past decade, in contrast to developments in the rest of the world, where new fleets have appeared, existing fleets have expanded and there has been a constant increase in catches.

## **2. Issues and outlook**

### **2.1. *Loss of competitiveness of the Community tuna fleet***

The Community tuna fleet is currently losing competitiveness by comparison with fleets operating in the same fishing grounds. Costs are far higher for the Community fleet than for other fleets because it must meet the requirements laid down in order to comply with Community legislation on: maritime shipping, health and safety at work, monitoring of fishing activities, sanitary conditions in production, environmental protection, social protection for workers, etc.

Forward-looking Community shipowners have no alternative but to ensure that they can compete with those around them, which according to them means abandoning the Community flag, which has little economic viability, and thereby reducing expenditure. Community shipowners are well aware that the future of stocks depends on their rational exploitation, and consequently they recognise that the proliferation of flags of countries with little control over their fleets will lead to the over-exploitation of resources as a result of a proliferation of illegal fishing and violations of rules laid down by RFOs, given that these organisations do not implement effective control measures.

The other option is to reduce the costs for the Community fleet so that it can compete in the genuinely globalised industry that is tuna fishing, bearing in mind that the Community market itself, which has been fully liberalised for whole frozen tuna and is being increasingly liberalised for the remaining derived products, is the target for many of the fleets competing with the Community fleet. The possibility of gradually being covered by a specific register, as permitted in the case of the Community merchant fleet, with tax reductions, might encourage shipowners to keep the Community flag.

There is also a need to coordinate Community policies affecting the tuna fleet and canning industry. Policies on trade, health, employment, transport, environmental conservation, development cooperation, etc. must be perfectly coordinated with the CFP so as to promote the continued existence of the entire Community tuna industry with its two fundamental components: fleet and processing industry. The integrated development of this industry and its expansion to include non-member partner countries of the EU, to whose development it has made and continues to make a significant contribution, has been acknowledged as a

success and an example for the EU itself. It would be sad if changes in Community policies had an adverse impact on the viability of a prosperous industrial sector which plays such an important part in creating jobs in certain less-favoured regions of the EU and non-member developing countries.

## **2.2. *Implications of the new CFP for the Community tuna fleet***

The CFPs implications for the freezer tuna fleet are centred around the following three aspects: external fisheries policy (international fisheries agreements and RFOs), structural policy and COMs.

### **2.2.1. *External fisheries policy***

#### **International fisheries agreements**

The migratory nature of the target species of the tuna fleet means that tuna vessels need fishing opportunities to be available in the largest possible number of countries where yellowfin and skipjack are distributed. The tuna fleet has fishing opportunities under 13 agreements, nine in the Atlantic (Mauritania, Cape Verde, Guinea, Sao Tomé and Príncipe, Gabon, Senegal, Guinea-Bissau, Côte d'Ivoire and Angola) and four in the Indian Ocean (Seychelles, Madagascar, Mauritius and Comoros). The Commission has recently signed the first agreement with a Pacific country, the Republic of Kiribati. It has also signed a further agreement with Mozambique and is negotiating on agreements with Tanzania, the Federated States of Micronesia, the Solomon Islands and the Cook Islands.

Five of the 13 countries with which the EU has signed fishing agreements have developed a tuna processing industry (Senegal, Côte d'Ivoire, Seychelles, Madagascar and Mauritius), either through direct Community investments or thanks to the presence of the European fleet. Port infrastructure has also been developed with EDF aid. Apart from countries with a Community fishing agreement, processing industries and port infrastructure have also been developed in other countries where Community investment is playing a key role: Ghana, Kenya, El Salvador, Guatemala and Ecuador.

The EU's new policy on agreements will have to take account of these investments both for the renewal of fisheries agreements and the negotiation of new agreements. The European tuna fleet, flying the Community flag, is the best guarantee that the EU will continue to play a leading role in the preservation of resources, through its involvement in fisheries agreements enabling it actively to cooperate in developing fisheries monitoring and management systems in the EU's partner countries.

In this context, the activity of the Community fleet requires new fishing agreements to be drawn up in countries where it is operating under private agreements in the absence of a Community agreement, notably: Sierra Leone, Liberia, Ghana and Congo (Atlantic); Kenya, Somalia, Chagos Islands (BIOT<sup>1</sup>), Mayotte and French islands in the Mozambique Channel (Indian Ocean); Peru, Ecuador, Colombia, Panama, Guatemala and El Salvador (Pacific).

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<sup>1</sup> British Indian Ocean Territory.

## RFOs

Tuna fisheries in the three main oceans where the Community fleet operates are regulated by RFOs, in which the EU is represented by the Fisheries DG.

ICCAT<sup>1</sup> regulates tuna fisheries in the Atlantic, the IOTC<sup>2</sup> in the Indian Ocean, and in the Pacific there is at present only the IATTC<sup>3</sup>, which regulates tuna in the eastern Pacific. A tuna commission is in the process of being formed in the western Pacific under the WCPFC<sup>4</sup>. The EU represents its fleet in ICCAT, the IOTC and the AIDCP (Agreement on the International Dolphin Conservation Programme). EU representation in the IATTC requires an amendment to the IATTC Convention, and the relevant proceedings are currently underway. France is a member of the IATTC by virtue of its territories in the east Pacific (Clipperton Island) and Spain has confirmed its entry after six years of deadlock. In the western and central Pacific the EU is present as a participant at the preparatory conference for the future commission, but its entry into the WCPFC depends on approval by consensus among member countries.

The European tuna fleet, flying the Community flag, is the best guarantee that the EU will continue to play a leading role in RFOs, with a view to complying with Article 174 of the Treaty, '*... promoting measures at international level to deal with regional or worldwide environmental problems*', UNCLOS and the New York Agreement (1995).

Bearing in mind the needs of developing countries, the fact that at world level resources are at maximum levels of exploitation in most of the oceans and the significant expansion now underway in the tuna fleet of Asian countries, the continued existence of the Community tuna fleet, which has the longest experience of fisheries management within the framework of RFOs, is linked to the proper management of tuna resources worldwide. The main threats and challenges which the EU will have to tackle to ensure that this management is carried out effectively are: the uncontrolled increase in fishing capacity worldwide, control and compliance with regulatory measures adopted by RFOs and the application of effective management measures. The EU needs to coordinate a strategy at international level with the main fishing powers and with the EU's partners with which it has signed fisheries agreements.

First of all, it is necessary to limit world tuna fishing capacity, chiefly by drawing up a worldwide list of authorised vessels and a closed regime for the exploitation of resources, taking account of the needs of developing countries. Once a world list has been established, renewal of the tuna fleet would require authorisation by the flag state and the corresponding RFO. The first fishing ground to have succeeded in limiting fleet capacity is the east Pacific, through the IATTC. The EU has sought to do so several times in the Atlantic and Indian Ocean, through ICCAT and the IOTC, but its efforts met with opposition from some neighbouring countries which wished to develop the fishery.

As regards control of and compliance with RFO regulatory measures, the attitude among Community shipowners is one of absolute commitment to resource conservation measures

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<sup>1</sup> International Commission for the Conservation of Atlantic Tunas.

<sup>2</sup> Indian Ocean Tuna Commission.

<sup>3</sup> Inter-American Tropical Tuna Commission.

<sup>4</sup> Western Central Pacific Fisheries Convention.

throughout the world, as shown by the initiatives undertaken at private level by the three producer organisations existing in the EU (ORTHONGEL, OPAGAC and ANABAC-OPTUC) with the establishment of closed seasons and areas in the Atlantic (three months) and Indian Ocean (two months). The closed season promoted by shipowners in the Atlantic was subsequently transformed into an ICCAT recommendation which has been in force since 1999.

The European fleet, through Community legislation, strictly complies with the regulations stemming from RFOs, and its compliance is monitored by the Member States and the EU. In the tuna purse-seine fishery, the Community fleet is the only one which fully applies RFO regulatory measures, with the consequent damage to Community firms arising from the fact that they are operating under restrictions while their competitors are operating freely, moving in to take the place of the European fleet in the fishing ground and the market. The combination of this failure to comply on the part of RFO member countries and the impact of IUU fishing means that the survival of the Community fleet is seriously threatened by the proliferation of fleets from countries which show little respect for international maritime law.

The best way of ensuring that both the Community fleet and third-country fleets comply with RFO regulations, whether or not the countries concerned are parties to the respective RFOs, and thereby preventing unfair competition from those who do not comply, is to apply existing restrictions and trade sanctions effectively, in accordance with WTO rules, to any product or derived product coming from countries which contravene RFO rules or not coming from duly authorised vessels with an identification register.

The EU must lead the way in applying these regulations, without necessarily waiting for the RFO to enact rules for the application of trade sanctions, and must promote the implementation of regulatory measures which are easy to apply and to comply with, as well as being effective, so that they will have a real impact on the stocks to be conserved. The EU should also coordinate scientific efforts in the Member States with a view to agreeing on management options in line with the above principles of effectiveness and simplicity. Such coordination could be accomplished in an institutional form through the Tuna Advisory Committee.

### ***2.2.2. Structural policy***

The European fleet operates in non-Community waters, and given that all the vessels are over 400 GT, it lost the aid for new constructions available up to 31 December 2002 in the recent reform. This means that renewal of the tuna fleet is virtually unviable, since the reform has not merely abolished aid but penalises fleet renewal because it requires other vessels to be removed from the register before any new vessels can be constructed without any form of aid being available.

This new measure is discouraging Community shipowners from keeping the Community flag in the context of their medium- to long-term planning.

### ***2.2.3. COM***

The only part of the COM (Council Regulation No 104/2000) to give particular consideration to the production of frozen tuna is Chapter 3, which contains provisions governing the compensation system. Nevertheless, this compensation scheme has lost any practical effect following the most recent amendment of the Regulation, when the threshold for activating compensation was cut to 87% of the Community production price. Consequently, a coherent and integrated policy should be devised which can guarantee the future of the Community tuna fleet, abandoning false aid schemes such as the compensation scheme and taking account of other systems such as the specific register mentioned above.

#### **IV. The Community tuna processing industry: situation and future prospects**

##### **1. Introduction**

The conservation of food products is a European invention which has its roots in the Napoleonic wars, when the need to feed soldiers with non-perishable foodstuffs led the French Government to offer a prize to anyone who succeeded in inventing a method of conservation. That prize was won in 1809 by Nicolas Appert, a French cook who invented a method consisting in placing foodstuffs sealed in a glass jar in a bain marie, at the temperature of boiling water (for more details on the origin of canning, see the report of the Committee on Fisheries A4-0137/98 on the fish product canning industry).

The canning sector in the EU has undergone major changes in recent years, from which it has emerged in fairly good shape, basically thanks to the efforts made by the firms involved, since even though the Commission has recently brought in structural aid measures, it is equally true that some decisions relating to preferential agreements with third countries have forced the sector to fight for its survival in the markets. It must not be forgotten that, in terms of volume, the Community market is the chief world market for sea products, with around 10 million tonnes destined for human consumption.

##### **2. Issues and outlook**

The Community canning industry is currently facing a range of problems arising from the requirements of numerous Community policies - social, sanitary, environmental, technical, etc. - and at the same time, the opening of the Community market to foreign products with less strict requirements and insufficient monitoring, which is damaging the competitiveness of Community products.

The Community industry requires a more stable legal framework with fewer changes which will enable it to programme and better guarantee its investments and which applies the same requirements to foreign products, as for domestic products so that it can compete on equal terms in the Community market.

A simple step like this will make it possible to transform proven efficiency into genuine competitiveness. At least a brief mention must also be made of the following issues affecting the Community canning industry:

##### ***2.1. Systems of tariff preferences: GSP-drugs, ACP countries and the problem of the origin of goods***

Extending the list of countries benefiting from tariff preferences has complicated the regulation and monitoring of the origin of goods. Whilst Regulation No 802/1968 defined the country of origin of a product as that in which the last stage of its processing took place and Regulation 693/1988 subsequently extended the notion of products originating in a country to cover products resulting from the processing of products originating elsewhere, in the case of canned products the law states that only canned products made with fish originating in a country may be considered products originating in that country.

In the case of GSP beneficiary states, the Andean Pact and the CACM, Regulations 3751/1983 and 3352/1983 state that products will be considered as originating in a country if, following export from that country, they undergo no further processing, or, should processing occur, it is incomplete in nature or uses only products originating from the above-mentioned country.

Certificates of origin are issued by the authorities of the countries concerned. The system is, however, far from being transparent and it is difficult to monitor, despite the consequences for the competitiveness of the European canning industry. The system must be more closely supervised, and its actual contribution to the proposed ends should be assessed.

## ***2.2. The opening of a quota of 4000 t of tuna loins from third countries at a lower tariff of 6%***

Council Regulation (EC) No. 2803/2000 opening and providing for the administration of autonomous Community tariff quotas for certain fishery products allows the entry of 4000 t of tuna loins from third countries, with the corresponding tariffs being reduced by half.

We would draw attention to the danger posed by such measures, chiefly because they establish a precedent, in addition to the fact that, as shown in the study undertaken by the Commission in 2000, Italy needed tuna loins solely in order to be competitive.

It is therefore requested that a fresh study be made of the Community canning industry's supply needs as regards tuna (whole frozen tuna and loins) in order to gain an accurate picture of those supply needs and enable a decision to be taken by the Community administration.

## ***2.3. Opening of a canned tuna quota for Thailand, the Philippines and Indonesia***

The opening of a 25 000 t quota at a 12% tariff for canned tuna from Thailand, the Philippines and Indonesia will seriously harm both the Community canning industry and all related sectors, given that canned tuna is a product considered highly sensitive in the EU, as demonstrated in other Community agreements in which it has received special treatment. In addition, this measure will also have adverse effects on the Community tuna fleet.

It must further be borne in mind that, in line with the EU's own recommendations, Community firms have made significant investments in third countries, and opening a quota for canned tuna will seriously harm EU investment in Latin American countries.

#### **2.4. *Compliance by third countries with health rules***

Compliance with Community health rules should be compulsory for all third-country firms wishing to place their products on the EU market.

This requires more resources to be allocated which will make it possible to increase the current monitoring of all installations, raw materials and final products of third-country firms exporting to the EU, and a network of reference laboratories needs to be created for the quality of fish products in each Member State, with one of them being designated as the EU's reference laboratory.

#### **2.5. *Quality and food safety***

Work must continue on quality control for food products and consumer safety.

A key factor in this connection is the use of raw materials with the highest added value, such as olive oil, and the Community aid known as refunds for olive oil consumption must continue to be available to the sector for its use of olive oil.

Particular attention needs to be paid to maintaining and improving quality, safety and information for consumers. Canned fish must not lose its image as a food high in protein and low in cholesterol which forms part of a healthy diet and is caught on the high seas, far from any source of human pollution.

Its image as a 'natural' product must be strengthened, and it would be desirable for labels to state that this is a product which is 'healthy by nature'. A policy of transparency vis-à-vis consumers also needs to be maintained.

#### **2.6. *Technical barriers to imports***

Even though the existence of technical barriers to imports was abolished by signatory countries within the framework of GATT and subsequently the WTO, reality is rather different.

Day-to-day operations show that technical barriers not justified by underlying technical reasons do exist, as is the case with the US FDA and Canadian legislation on imports of canned fish products.

These countries have also established tariff barriers, as is the case for canned tuna in oil destined for the US, which is subject to a 35% tariff.

#### **2.7. *The World Trade Organisation (WTO)***

As well as paying attention to tuna products and excluding them from the sectoral abolition scheme, the Commission should argue that the fishing industry, for various reasons (natural

living resources which require the adoption of and general compliance with conservation and management measures), must be given specific treatment differentiated from that of other non-agricultural products.

#### Trade liberalisation and tariff aspects:

For these reasons, the present tariffs for certain fishery products declared as sensitive products should be maintained through an exclusion list, as is the case for canned tuna. Even if consideration were to be given to dismantling tariffs for fish products, any such tariff reduction must be accompanied by the lifting of existing non-tariff barriers.

With regard to non-tariff measures, before adopting a concrete position within the WTO it is essential to have a comprehensive document listing the non-tariff measures applied by third countries in this sector (health rules; rules of origin; extraterritoriality, etc.).

#### **2.8. *Structural policy (FIFG)***

There is no doubt that FIFG funding has brought important benefits for the Community processing industry which have enabled it to achieve significant progress in terms of quality. These funds have been extremely necessary but not sufficient. If we want the sector to finish the work on investment, modernisation and improved competitiveness undertaken during the years in which the FIFG has been in operation, it is very important that this instrument should be extended after 2006.

#### **2.9. *Environmental aspects: Dolphin-Safe***

With regard to the Dolphin-Safe issue, the Community tuna canning industry is well aware of the need to reduce as far as possible the incidental mortality of dolphins which may occur when catching tuna, and it has made significant efforts and technological innovations for this purpose. Nevertheless, it is justified in calling for an official legal framework which will regulate this aspect and provide greater transparency and a firmer official basis for the Community canning industry when marketing its tuna-based products.

The EU is now a member of the AIDCP<sup>1</sup>, which is the established legal framework, and the EU must continue to provide firm support for both that agreement and the RFOs of which the EU is a member.

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<sup>1</sup> Agreement on the International Dolphin Conservation Programme.