OPINION

of the Committee on International Trade

for the Committee on the Internal Market and Consumer Protection


Rapporteur: Bendt Bendtsen
SHORT JUSTIFICATION

The dispute settlement system of the WTO is a central element in providing security and predictability to the multilateral trading system and its rulings (WTO Appellate Body ruling in the Seals case (DS 400/401)) needs to be respected.

Your rapporteur is of the opinion that the WTO ruling can be accommodated while respecting the compromise found between Parliament and Council in 2009 with regulation 1007/2009, where two exemptions to the seal band was found; one regarding the Inuit’s and Indigenous Peoples’ right to self-determination and use of their resources (IC exemption), the other regarding marine resource management (MRM) in the Baltic Sea.

Your rapporteur therefore suggests reintroducing the marine resource management (MRM) exemption. The MRM exemption currently in force fails to make sufficient distinction between the commercial hunt and large scale trade in the light of the stated objective, i.e. protection of public morality (Article XX(a) GATT). Therefore, an MRM exemption can be formulated, as to avoid the practice of simply discarding carcasses resulting from normal, small-scale fisheries management. This would be a new 2nd exemption, applicable only under very certain conditions, which would also build on a tradition of artisanal, and handicraft production, often local specialities. Overall, this would promote the protection of the natural biodiversity and bio-economic sustainability of the Baltic Sea Region.

Furthermore, in addition to allow for respect of the WTO ruling, the adjusted EU-regulation will provide a better clarification of one of the other objectives of the regulation, i.e. maritime resource management in compliance with GATT XXg, related to the conservation of exhaustible natural resources.

As for the Inuit exception, WTO ruled that it was legitimate, but some of its element and design and application amounted to arbitrary and unjustifiable discrimination. Thus, the Commission proposal addresses these flaws by providing a limit to the placing of the market of seal products and by strengthening the animal welfare objective of the regulation in the proposed new article with the IC exemption.

Your rapporteur has a few suggestions to changes in the Commission proposal on the IC exemption. However, your rapporteur underlines that the Inuit exemption in 2009 was designed to ensure that the ban did not have adverse negative effect on the Inuit Communities. Your rapporteur regrets that the Commission has not made an impact assessment, so decision making can happen on proper and informed foundation. Figures from Greenland indicate that the ban has indeed had a gross negative effect on the communities, in spite of the exemption in 1007/2009 and thus contrary to the purpose of the European Parliament and Council.

For your rapporteur the main argument for trade with seal products under these conditions is sustainability both in term of bio-diversity and bio-economy as well as the sustainability of the indigenous communities affected by the ban.

The population of seals in Greenland is large. Hunt is only allowed on 3 species (harp, ringed and hooded seals), and hunting is only allowed by licensed hunters. Seals in Greenland are shot by rifle, unless it is too dark for responsible rifle-hunting, in which case they are caught...
in nets. It is forbidden to hunt pubs and lactating female seals.

Seal-hunting has traditionally always taken place in Greenland, where resources are scarce. Seal meat is used for consumption for both humans and sled dogs, skins are for clothing and in some remote areas they can be the most vital resource. Seals are thus essential from a cultural and socio-economic perspective. Roughly 7,000 Greenlanders (12% of the population) have license to hunt seals, of these 2000 have full time hunting licenses and 5000 are leisure time hunters. Average catch per year in 2009-2010 of harp, ringed and hooded seals was 23 a year per hunter. Since 2009 only full time hunters may sell sealskins to the state-owned tannery Great Greenland. Export to the EU has fallen drastically, from 2005 when the Great Greenland tannery had a turnover of 9 mill EUR to 2 mill EUR in 2013. Great Greenland had an overstock of 135,000 skins.

This suggests the IC exemption is not working according to its purpose, set down in 1007/2009. The rapporteur has therefore added a report clause, so the Commission shall investigate the consequences of the EU regulation and consider possible measures to address these.

**AMENDMENTS**

The Committee on International Trade calls on the Committee on the Internal Market and Consumer Protection, as the committee responsible, to take into account the following amendments:

**Amendment 1**

**Proposal for a regulation**

**Recital 1**

Text proposed by the Commission

(1) Regulation (EC) No 1007/2009 of the European Parliament and of the Council\(^2\) was adopted with the objective of eliminating obstacles to the functioning of the internal market due to differences in national measures regulating trade in seal products. Those measures were adopted in response to public moral concerns about the animal welfare aspects of the killing of seals and the possible presence on the market of products obtained from animals killed in a way that causes excessive pain, distress, fear and other forms of suffering. Such concerns were supported by scientific evidence showing that a genuinely humane killing method cannot

Amendment

(1) Regulation (EC) No 1007/2009 of the European Parliament and of the Council\(^2\) was adopted with the objective of eliminating obstacles to the functioning of the internal market due to differences in national measures regulating trade in seal products. Those measures were adopted in response to public moral concerns about the animal welfare aspects of the killing of seals and the possible presence on the market of products obtained from animals killed in a way that causes excessive pain, distress, fear and other forms of suffering. In order to achieve that objective, Regulation (EC) No 1007/2009 introduced, as a general rule, a prohibition of placing
be consistently and effectively applied and enforced in the specific conditions in which seal hunting takes place. In order to achieve that objective, Regulation (EC) No 1007/2009 introduced, as a general rule, a prohibition of placing on the market of seal products.


Amendment 2
Proposal for a regulation
Recital 2

Text proposed by the Commission

(2) At the same time, seal hunting is an integral part of the culture and identity of the Inuit and other indigenous communities and makes a major contribution to their subsistence. For those reasons, seal hunts traditionally conducted by Inuit and other indigenous communities do not raise the same public moral concerns as the hunts conducted primarily for commercial purposes. Moreover, it is broadly recognised that the fundamental and social interests of Inuit and other indigenous communities should not be adversely affected, in accordance with United Nations Declaration on the rights of Indigenous Peoples and other relevant international instruments. For those reasons, by way of exception, Regulation (EC) No 1007/2009 allows the placing on the market of seal products which result from hunts traditionally conducted by Inuit and other indigenous communities and which contribute to their subsistence.

Amendment

(2) At the same time, seal hunting is an integral part of the culture, socio-economy and identity of the Inuit and other indigenous communities, makes a major contribution to their subsistence and is considered sustainable. For those reasons, seal hunts traditionally conducted by Inuit and other indigenous communities do not raise the same public moral concerns as the hunts conducted primarily for commercial purposes. Moreover, it is broadly recognised that the fundamental economic and social interests of Inuit and other indigenous communities should not be adversely affected, in accordance with United Nations Declaration on the rights of Indigenous Peoples and other relevant international instruments, in particular Convention C169 on Indigenous and Tribal Peoples in Independent Countries, adopted by the International Labour Organisation in 1989, whereby Inuit and other Indigenous Communities have the right to self-identification and by virtue of that right, the right to freely pursue their
economic, social and cultural development. For those reasons, by way of exception, Regulation (EC) No 1007/2009 allows the placing on the market of seal products which result from hunts traditionally and sustainably conducted by Inuit and other indigenous communities and which contribute to their subsistence. The Commission should investigate which appropriate measures can be introduced to counter the potential adverse negative effects the ban on seal products has had on Inuit communities as well as how to inform the general public about European indigenous communities.

Amendment 3
Proposal for a regulation
Recital 2 a (new)

Text proposed by the Commission

Amendment
(2a) Regulation (EC) No 1007/2009 should ensure a balance between animal welfare and respect for the culture and traditions of Inuit and other indigenous communities;

Amendment 4
Proposal for a regulation
Recital 3

Text proposed by the Commission

Amendment
(3) A genuinely humane killing method cannot be effectively and consistently applied in the hunts conducted by the Inuit and other indigenous communities, just like in the other seal hunts. Nonetheless, it is appropriate, in light of the objective pursued by Regulation (EC) No 1007/2009, to make the placing in the Union market of products resulting from hunts by the Inuit and other indigenous communities conditional upon those hunts being conducted in a sustainable manner, while having regard to the traditional way of life and the subsistence needs of the
hunts by the Inuit and other indigenous communities conditional upon those hunts being conducted in a manner which reduces pain, distress, fear or other forms of suffering of the animals hunted to the extent possible, while having regard to the traditional way of life and the subsistence needs of the Inuit and other indigenous communities. The exception granted in respect of seal products resulting from hunts conducted by Inuit and other indigenous communities should be limited to hunts that contribute to the subsistence need of those communities and are therefore not conducted primarily for commercial purposes. Thus, the Commission should be enabled to limit, if necessary, the quantity of seal products placed on the market under that exception in order to prevent the use of the exception by products resulting from hunts which are conducted primarily for commercial purposes. In order to prevent the use of that exception for products resulting from hunts which are conducted primarily for commercial purposes, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of limiting the quantity of seal products placed on the market under that exception and in respect of prohibiting, if necessary, seal products from certain hunts from being placed on the market under that exception. That delegation should be exercised only if necessary, when relevant evidence is presented and where considered appropriate after a consultation with relevant stakeholders.

Amendment 5
Proposal for a regulation
Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) Article III.4 of the General Agreement on Tariffs and Trade 1994 provides that the products of the territory of any contracting party imported into the territory of any other contracting party are to be accorded treatment no less favourable than that accorded to like
(5) In order to provide for detailed rules as regards placing on the market of seal products, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission. It is of particular importance that the Commission carry out appropriate consultations, including at expert level, and with the Inuit and other indigenous communities concerned. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.

(5a) The Commission should, prior to implementing this Regulation, conduct an Impact Assessment to quantify and qualify the social, economic and cultural effects of the revision, ensuring that any revision respects the fact that the hunting of seals is a part of certain communities' cultural identity, thus ensuring that the livelihood of communities living in proximity of seals is not threatened, and that the biological and cultural diversity of national origin.
of the Union is respected.

Amendment 8

Proposal for a regulation
Article 1 – point 1
Regulation (EC) No 1007/2009
Article 3 – paragraph 1

Text proposed by the Commission

1. The placing on the market of seal products shall be allowed only where the
seal products result from hunts conducted by Inuit and other indigenous communities,
provided that the following conditions are all satisfied:

(a) the hunt has been traditionally conducted by the community;

(b) the hunt contributes to the subsistence of the community and is not conducted primarily for commercial reasons;

(c) the hunt is conducted in a manner which reduces pain, distress, fear or other forms of suffering of the animals hunted to the extent possible taking into consideration the traditional way of life and the subsistence needs of the community.

The above conditions shall apply at the time or point of import for imported products.

Amendment

1. The placing on the market of seal products shall be allowed only where the seal products result from hunts conducted by Inuit and other indigenous communities, provided that the following conditions are all satisfied:

(a) the hunt has traditionally been conducted by the community;

(b) the hunt contributes to the subsistence of the community;

(c) the hunt is conducted by a member of the community in a manner which has regard to animal welfare and thus reduces excessive pain, distress, fear or other forms of suffering of the animals hunted to the extent possible taking into consideration the traditional way of life and the subsistence of the community.

The above conditions shall apply at the time or point of import for imported products.

Amendment 9

Proposal for a regulation
Article 1 – point 1
Regulation (EC) No 1007/2009
Article 3 – paragraph 1 a (new)

Text proposed by the Commission

1a. The placing on the market of seal
products shall also be allowed provided that the following conditions are all satisfied:

(a) the person placing the seal products on the market can show evidence that the seal products would otherwise be discarded at sea and thus not in compliance with Article 10 of the Convention on Biological Diversity;

(b) the seal products result from hunts that have been conducted in a way that does not cause excessive pain, distress, fear or other forms of suffering, and that animal welfare objectives laid down by national legislation have been respected;

(c) the seal products result only from hunts under national management schemes for the conservation of exhaustible natural resources, with a view to maintaining the viability of seal populations as a component of their natural habitat, including disease control, or limiting the effects of interspecific competition with endangered species depending on the same habitat or resources;

(d) the seal products result exclusively from hunts conducted on seal populations with favourable conservation status.

The above conditions shall apply at the time or point of import for imported products.

Amendment 10

Proposal for a regulation

Article 1 – point 1
Regulation (EC) No 1007/2009
Article 3 – paragraph 3

Text proposed by the Commission

3. The application of paragraphs 1 and 2 shall not undermine the achievement of the objectives laid down by national legislation.

Amendment

3. The application of paragraphs 1, 1a and 2 shall not undermine the achievement of the objectives laid down by national legislation.
objective of this Regulation.

Amendment 11
Proposal for a regulation
Article 1 – point 1
Regulation (EC) No 1007/2009
Article 3 – paragraph 5

Text proposed by the Commission
5. If the number of seals hunted, the quantity of seal products being placed on the market pursuant to paragraph 1 or other circumstances are such as to indicate that a hunt is conducted primarily for commercial purposes, the Commission shall be empowered to adopt delegated acts in accordance with Article 4 in order to limit the quantity of products resulting from that hunt that may be placed on the market.

Amendment
5. The Commission shall be empowered to adopt, after consultation with relevant stakeholders, delegated acts in accordance with Article 4a limiting or prohibiting the placing on the market of products resulting from hunts proven to have been conducted primarily for commercial purposes, or beyond what is necessary for the purpose of the exceptions provided for in paragraph 1. For the purposes of such proof, the Commission shall produce relevant evidence regarding the quantity of seal products being placed on the market pursuant to paragraph 1, such as the number of seals hunted, or regarding other circumstances.

Amendment 12
Proposal for a regulation
Article 1 – point 3 a (new)
Regulation (EC) No 1007/2009
Article 5 a (new)

Text proposed by the Commission
(3a) The following article is inserted:
"Article 5a
Public information
The Commission and Member States shall take appropriate measures to inform competent authorities, including customs officials in the Member States, and the..."
public that the seal products placed on the market originating from hunts conducted by Inuit and other indigenous communities in accordance with Article 3(1) comply with applicable legal rules."

Amendment 13
Proposal for a regulation
Article 1 – point 3 b (new)
Regulation (EC) No 1007/2009
Article 7 – paragraph 2 a (new)

Text proposed by the Commission

(3b) In Article 7, the following paragraph is added:

"2a. Moreover, the Commission shall evaluate the impact of this Regulation on the economic, social and cultural development of Inuit communities in affected regions, as well as the effects of this Regulation on coastal communities where hunting of seals forms part of maritime resource management. By ..., the Commission shall submit to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions a report on that impact. The report shall include possible ways to mitigate the negative effects of this Regulation on the Inuit communities.

* OJ: please insert date: 2 years after the entry into force of this (amending) Regulation."

Amendment 14
Proposal for a regulation
Article 1 – point 3 c (new)
Regulation (EC) No 1007/2009
Article 7 a (new)
(3c) The following article is inserted:

"Article 7a

Review

If found to be appropriate based on the impact assessment referred to in Article 7(2a), this Regulation shall be the subject of a review 4 years after the entry into force. The review shall be based on an impact assessment on the socio-economic and cultural effects of this Regulation on the development and identity of the Inuit and other indigenous communities. The review shall also address the effects of this regulation on coastal communities where hunting of seals forms part of maritime resource management."
**PROCEDURE**

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<tr>
<th>Title</th>
<th>Trade in seal products</th>
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<tr>
<td>Committee responsible</td>
<td>IMCO</td>
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<tr>
<td>Opinion by</td>
<td>INTA</td>
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<td>Date announced in plenary</td>
<td>12.2.2015</td>
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<td>Rapporteur</td>
<td>Bendt Bendtsen</td>
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<td>Date appointed</td>
<td>23.2.2015</td>
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<td>Discussed in committee</td>
<td>13.4.2015</td>
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<td>Date adopted</td>
<td>7.5.2015</td>
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<td>Members present for the final vote</td>
<td>William (The Earl of) Dartmouth, Maria Arena, Daniel Caspary, Salvatore Ciec, Santiago Fisas Ayxelà, Yannick Jadot, Ska Keller, Jude Kirton-Darling, Bernd Lange, Jörg Leichtfried, Anne-Marie Mineur, Sorin Moisă, Alessia Maria Mosca, Franz Obermayr, Viviane Reding, Mariette Schaaake, Helmut Scholz, Joachim Schuster, Joachim Starbatty, Adam Szejnfeld, Hannu Takkula, Iuliu Winkler, Jan Zahradil</td>
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<tr>
<td>Substitutes present for the final vote</td>
<td>Clara Eugenia Aguilera Garcia, Bendt Bendtsen, Goffredo Maria Bettini, Aymeric Chauprade, Sander Loones, Gabriel Mato, Frédérique Ries, Ramon Tremosa i Balcells, Wim van de Camp, Jarosław Wałęsa</td>
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<tr>
<td>Substitutes under Rule 200(2) present for the final vote</td>
<td>Ignazio Corrao, Herbert Dorfmann, Karl-Heinz Florenz, Tunne Kelam, Marco Zullo</td>
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