

Brussels Weekly update – 03/03/2017

Over the next few months, we'll be reporting back how Brexit is playing out across the water. Deeper insights will be shared on our website and through our Seafish Round-Up' industry newsletter - contact Nick.Connelly@seafish.co.uk to subscribe.

EU INSTITUTIONS

- **European Parliament:** [Workshop on the consequences of Brexit](#)

On February 28, a workshop on the consequences of Brexit was held by the Committee on Internal Market and Consumer Protection (IMCO). Below some of the main ideas presented by the speakers:

- UK would suffer more from Brexit than the EU 27 this could result in the UK's GDP dropping 3-7% between now and 2030. However, some countries are particularly vulnerable (Ireland is the most obvious example).
- Concerning processed foods exported from the Netherlands, Brexit could result in a drop of between 6.7-9.6 % in exports, depending on which study one used.
- The UK Government's White Paper stressed that the UK will not be a member of the Customs Union and that there is no plan to ensure that the UK maintains the *acquis* over time. The paper also assumed that tariff-free trade will be possible and this is not at all clear if it will be possible. Foreign direct investment (FDI) figures in the UK will drop due to relocation, as a result of its diminished market size. This would have knock-on effects for smaller businesses.
- UK companies would have to continue their compliance with the EU *acquis*, given the percentage of UK exports which go to EU 27 countries.
- There is the issue of limited companies which moved from the UK and are still registered there. They would not be entitled to the same rights as pre-Brexit and there should be a transitory legal agreement put in place.

Presentations:

- [Article 50 TEU: The EU legal framework for Brexit and the road ahead](#) - Professor Dr. F. Amtenbrink (University Rotterdam)
 - [Economic impact of Brexit on the EU27](#) - Dr. M. Emerson (CEPS)
 - [Economic impact of Brexit on EU27 part 2, sectorial consequences](#) - Prof. Dr. J. Pelkmans (CEPS)
 - [The consequences of Brexit on services: different scenarios for exit and future cooperation](#) - Professor Dr. Friedemann Kainer
- **European Commission:** [White Paper on future of Europe.](#)

On 1st March EC presented its White Paper on the future of Europe, which forms the Commission's contribution to the Rome Summit of 25 March 2017. It presents five scenarios for how the Union could evolve by 2025 depending on how it chooses to respond. They are neither mutually exclusive, nor exhaustive.

1st Carrying on: In this scenario the EU27 sticks to its course, it focuses on implementing and upgrading its current reform agenda. The unity of the EU27 is preserved but may be tested in the event of major disputes.

2nd Nothing but the single market: In this scenario the EU27 cannot agree to do more in many policy areas, it increasingly focuses on deepening certain key aspects of the single market. The EU's re-centred priorities mean that differences of views between Member States on new emerging issues often need to be solved bilaterally, on a case by-case basis. Decision-making may be simpler to understand but the capacity to act collectively is limited.

3rd Those who want to do more: In a scenario where the EU27 proceeds as today but where certain Member States want to do more in common, one or several "coalitions of the willing" emerge to work

together in specific policy areas. The unity of the EU at 27 is preserved while further cooperation is made possible for those who want.

4th Doing less more efficiently: In this scenario the EU27 decides to focus its attention and limited resources on a reduced number of areas. As a result, the EU27 is able to act much quicker and more decisively in its chosen priority areas.

5th Doing much more together: Member States decide to share more power, resources and decision-making across the board. As a result, cooperation between all Member States goes further than ever before in all domains. On the international scene, Europe speaks and acts as one in trade and is represented by one seat in most international fora.

President Juncker's State of the Union speech in September 2017 will take these ideas forward before first conclusions could be drawn at the December 2017 European Council. This will help to decide on a course of action to be rolled out in time for the European Parliament elections in June 2019.

MEMBER STATES

FRANCE

- **Consequences of Brexit for the French Fishermen – Source YouTube**

On 20th February “Maison de la Mer” from Lorient held a conference on the consequences of Brexit for the French fishermen with the following speakers: Isabelle Thomas, Member of the EP Committee for Fisheries, Yves Foëzon, Director of the PO of fishermen from Bretagne and Romain Fageot, Scapeche.

Main elements discussed:

- Negotiations will start at EU level on the UK withdrawal from the EU and the next step will be the future trade deal with the UK. There are concerns about these two separate negotiations and the lack of transitional measures. Risks may arise when negotiating all subjects globally rather than sector by sector.
- EU Chief Negotiator Michel Barnier has an extensive experience in fisheries and agriculture and French fisheries community considers Mr Barnier as an ally during the negotiation process.
- There will be a price to pay in order to access to UK waters; it is important to define priorities in order to establish a road map.
- EU countries impacted by Brexit: The Netherlands (dependence on UK waters 46%); Belgium (44%); Denmark (42%); Germany, Ireland (33%) and France (30%). Spain only 3%. It is important to build a coalition at EU level to avoid being marginalized during negotiations.
- Netherlands is a specific case as they have ship-owners with business in the UK and they will do their best to influence the process the same for the Spanish people. They will try to get more fishing rights. It is important to build a coalition of EU countries to defend a common approach.
- Two elements are the cornerstone for Brexit negotiations as regards fisheries: access to waters and UK market. Management of marine resources also was mentioned as there are concerns about the future UK policies on this area.
- Tensions have been already detected at the UK border controls.

Next event: [What are the challenges for Bretagne?](#) 2nd March, Brest. France.

[The International Fishing Industry Trade Fair](#) will be held 18-20 October 2017 in France and organisers plan to invite EU partners as Netherlands, Scotland, and Spain to discuss Brexit and EU fisheries.

- [Tajani: "Brexit will be a particular challenge for Ireland and its people"](#) – Source European Parliament

On 2 March European Parliament President Antonio Tajani met Irish Prime Minister Enda Kenny to discuss the impact Brexit on the island of Ireland. Following his meeting with the Irish leader, Tajani said: "Ireland must ensure that its economic and trade links with the UK are protected. Secondly, it needs to make certain that the achievement of the Good Friday agreement which brought peace to Northern Ireland is included in any future deal between the UK and the European Union." He added: "Both issues will have the full attention of the European Parliament." From an Irish point of view, the Irish Prime Minister described the main areas of concern as the Irish peace process, maintaining the open border between Northern Ireland and the Republic, and future relations with the UK.

MORE INFORMATION

- Study: [Brexit and Europe: a new entente](#) – Source EPC

In this paper, Andrew Duff, Former Member of the European Parliament, examines whether we can begin to look at the Article 50 process in a more positive light – that is, whether Brexit could herald a new period of entente between Britain and Europe. With a more optimistic outcome in mind, Duff lays out the desirable institutional make-up of a post-Brexit EU-UK relationship, including a new judicial tribunal to settle possible disputes. Duff also calls for the creation of a 'transition authority' to monitor and supervise the Brexit process and to manage inevitable legacy difficulties over an indefinite period.

FISHERIES

- [EU AGRICULTURE AND FISHERIES COUNCIL – Provisional agenda](#). 06/03/2017
 - Proposal for a Regulation of the European Parliament and of the Council on establishing a multi-annual plan for small pelagic species in the Adriatic (First reading)
 - Our Ocean Conference – An Ocean for Life (Malta, 5 – 6 October 2017)
 - EU Platform on animal welfare
- [EP PECH Committee discussion on the Court of Justice judgment on the agreement between the EU and the Kingdom of Morocco](#) – Source European Parliament

On February 28, a debate was held in the EP Fisheries Committee with regard the Court of Justice judgement of December 21 2016, overturning the agreement between the EU and the Kingdom of Morocco due to territorial issues regarding the Western Sahara.

Stefaan Depypere, from DG MARE, said that the Commission is waiting for the specific judgement of the Court on the Protocol of 2001/2012 which is a complex Protocol, including migratory fishing stocks that swim from one part to another in that region depending on the season. This Protocol will expire in summer 2018, and it will be important to clarify all legal aspects.

An EC legal service representative clarified misunderstanding about what the ECJs said the ruling does not mean the fisheries agreement is invalid just the consent of Polisario is not sought. This is totally wrong, because the fisheries agreement explicitly states in the agreement that it also applies to the waters under Moroccan jurisdiction which also cover Western Saharan waters.

The key issue of this appeal was that the Commission disagrees entirely with the General Court's view because the EU did not protest and have explicit wording against Morocco's view that the Western Sahara forms part of its territory that the agreement automatically applies to the Western Sahara. EC thinks that at the moment there are not legal reasons to believe that the particular fisheries agreement is invalid. EC agreed with the Parliament's solution, on a mechanism benefitting the local population and where the agreement was explicitly extended to the Western Sahara. The EC expects that by November 2017 this issue will clarify by the ECJ.

- [Expert Group for Markets and Trade in Fishery and Aquaculture Products](#) – Source Comitology Register.

On 22nd February DG MARE held a meeting of the Expert Group for Markets and Trade in Fisheries and Aquaculture Products. Below there is a summary of the meeting:

[Study on EU consumer habits regarding fishery and aquaculture products](#) - the analysis presented by DG MARE shows a multitude of target groups among consumers, each with specific features and expectations, and that promotional actions should take into account these specificities. EC also acknowledged the importance of imports for the EU market, and stressed that information on preferences should be used by producers when choosing which additional information they want to make available to consumers.

[Interim assessment of the implementation of production and marketing plans \(PMPS\) pursuant to the CMO Regulation \(ART. 28 of Regulation \(EU\) No 1379/2013\) and the EMFF Regulation \(ART.66 of Regulation \(EU\) NO 508/2014\)](#) - Member States noted the difficulty of disbursing EMFF funding given the complex interaction between national rules and EMFF provisions. The need to extend the duration of the storage aid mechanism was also evoked given the delay in implementation of the plans. The sector stressed the difference in approach across Member States and noted that the critical role of POs under the new CFP is not always recognised.

[Ex-post evaluation of the marketing standards](#) - Issues detected by EC: standards are not flexible, they need to be clearer and simpler; innovation makes it difficult to control compliance; there are standards designed for past intervention mechanisms and barriers to introduce new products; there are still many infringements detected; impact of the landing obligation needs to be addressed.

[Promotion fund for agri-food products](#): any product under Annex I TFEU, any products under Annex I to Regulation 1144/2014 and spirit drinks with GPI can be chosen to be promoted together with fishery and aquaculture products. Participants were therefore invited to look for synergies with other products. The Commission also indicated that the guidance documents for applicants contained useful information on the expected quality of proposals

[External supply of fisheries and aquaculture products](#): Trade negotiations for this year: Mercosur, Indonesia, Philippines, Australia, New Zealand, TTIP, and modernization of the agreement with Mexico and Chile. There is a request for improvement of current market access conditions for Norway and Iceland, and the adaptation of the new combined nomenclature in 2017 to trade arrangements (e.g TRQs). As new irritants DG MARE referred to Morocco (Western Sahara) and Brexit.

[European Market Observatory for Fisheries and Aquaculture Products \(EUMOFA\)](#) – DG MARE explained their objectives for 2017: data coverage, focus on POs, prospective analysis tool, ad-hoc studies; more user-friendly webpage and to understand MS and sector needs. Spanish authorities asked to study the impact on Brexit for the CFP, DG MARE replied by reminding that before any study or evaluation the UK needs to trigger Article 50.

Economic Report of EU aquaculture sector: The sector noted that the study is an improvement compared to previous editions. It was once again stressed that direct sales should also be looked at as they represent a very important sale channel for aquaculture (it was estimated that 80 million EUR worth of oysters were sold through this channel). The share of female who are enterprise chiefs is also higher in this sector. There are however threats to the competitiveness of the sector, notably health risks and pollution as well as competition for space.

- [Safety of vitamin D3 addition to feeding stuffs for fish](#) – Source EFSA

The increasing use of plant-based feed materials in aquaculture feeds could induce a decrease in vitamin D3 content in feeding stuffs. However, there is no evidence that the current total (background + supplemented) maximum EU content of vitamin D3 may cause any appreciable risk of deficiency in salmonids. EFSA concludes that a total level of 1.5 mg vitamin D3/kg compound feed is safe for salmonids with a margin of safety of at least 10. For other fish, insufficient data are available to conclude on the safety of a total level of 1.5 mg vitamin D3/kg feed. Although the assessment of safety for the consumer is impaired by uncertainties concerning the transfer of vitamin D3 from feed to

fish flesh, it was concluded that an increase of total vitamin D content in fish feeds up to 1.5 mg/kg feed would not lead the tolerable upper intake level to be exceeded even in high consumers.

EP Questions:

- [Consumption of Pangasius hypophthalmus](#) - Francesc Gambús (PPE)
- [Fishing opportunities with the Cook Islands](#) - João Ferreira (GUE/NGL)
- [Sanitary and phytosanitary matters in trade agreements](#) - Hannu Takkula (ALDE)
- [Strengthening the Regional Fisheries Management Organisation \(RFMO\) compliance](#) committees - Alain Cadec (PPE)
- [Measures relating to non-industrial fishing for sea bass](#) - Peter van Dalen (ECR)

Useful links:

- EP Briefing: [Overhauling fisheries technical measures](#).
- [Note from the General Secretariat of the Council on the Proposal for a Regulation on the sustainable management of external fishing fleets, repealing Council Regulation \(EC\) No 1006/2008](#).
- [COMMISSION DELEGATED REGULATION \(EU\) .../... amending Delegated Regulation \(EU\) 2017/117 establishing fisheries conservation measures for the protection of the marine environment in the Baltic Sea and repealing Regulation \(EU\) 2015/1778](#).
- [The Trawler: EP PECH Committee Magazine. January 2017](#)
- [EUMOFA Monthly Highlights No.1/2017](#)

Events:

- [Aquaculture Advisory Council \(ACC\) Working groups 2 and 3](#). 13-14 March
- [6th European Tuna Conference](#). 24 April

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