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DIRECTORATE-GENERAL FOR FISHERIES AND MARITIME AFFAIRS

Director-General

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Mr António Schiappa Cabral
President of LDRAC

Subject : Future of the EURO-ACP-GSP tropical tuna sector

Dear Mr Cabral,

Thank you for the letter you recently addressed to President Barroso on the future of the EU, ACP and GSP tropical tuna sector.

I am well aware of the challenge presented to the Community tuna industry by the WTO negotiations on customs duties. The Commission has always considered canned tuna a sensitive issue in the framework of trade negotiations. In actual fact, this product has always been the subject of special attention, and concessions have been very limited. Nevertheless, due to the multilateral character of the negotiations, affording special treatment to tuna products remains a difficult and delicate subject, especially in the view of the developed countries.

At this stage, it is difficult to anticipate the result of the negotiations, including the issue of the erosion of several preferences for some of our partners, which remains a very delicate question for numerous developing countries. However, I am confident that a solution will be found to cater for products that are very sensitive for major WTO players and, because of our preferential trade arrangements, for a large number of developing countries.

Regarding the Free Trade Agreement negotiations with ASEAN that were launched early this year, I would like to recall that, as in other trade negotiations, the Commission has always considered canned tuna as a sensitive issue. This product has always been the subject of special attention, and concessions have been very limited, especially when compared to other fishery products.

On this particular agreement I would like to add that, as I have indicated, negotiations have only recently begun and that, from our experience, it will take some time before they are concluded. Furthermore, it is most likely that trade concessions for processed tuna products, if any, will be implemented over a number of years. In sum, one could not reasonably expect possible trade concessions to ASEAN to take effect for some time.

As a final consideration on the ongoing negotiations with ASEAN, I would like to mention the vigorous trading interests of the EU in the tuna sector. It is my understanding that the EU tuna industry has become a world class exporter. First of all, EU companies sell technology and know-how in the area of processing and canning. Canning plants around the world, including those located in ASEAN, are successfully using EU technology. The EU tuna harvesting sector is also reaping the benefits of globalisation by selling raw material to countries located around the major fishing grounds, including those around the Indian Ocean. It is clear that the EU should aim at facilitating further expansion of these exports by, inter alia, opening the markets of the ASEAN countries to EU products.

As regards the preferential market access for ACP tuna products after the 31 December 2007, the extension of GSP+ to the non-LDC ACP countries is not an adequate solution to the possible disruption of their preferential trade regime. Most of the ACP countries will be unlikely to meet the criteria for the ratification and effective implementation of key international agreements on sustainable development and good governance. Canned tuna is included in the GSP at a 20.5% duty. However, only a WTO-compatible agreement will help guarantee the maintenance of the preferential ACP trade regime on market access for non-LDC ACP countries.

The Commission is working in close cooperation with the beneficiary ACP countries to ensure that EPAs are signed with as many regions and countries as possible, thereby avoiding any possible negative social and economic consequences.

Where this is not possible, the Commission has proposed a two-stage approach. The first stage will focus on concluding negotiations on WTO-compatible market access arrangements in 2007, while continuing negotiations on full EPAs. The second stage will focus on concluding full regional EPAs for those regions and countries where they are still pending.

Regarding the reform of rules of origin, we attach particular importance to ensuring that any possible change in the definition of the rules of origin in the framework of our trade relations with third countries does not undermine EU action against IUU fishing. However, the issue of IUU fishing cannot be addressed through the rules of origin. Using the IUU issue as justification for maintaining the stringent rules of origin would be equivalent to arguing that IUU concerns solely third country fishing vessel activity, which is inaccurate.

As you rightly point out, the Commission has recently proposed a package of measures to fight against IUU fishing. The main pillar of the system would be the application of a catch certification scheme applying to imported fisheries products. In future, all fisheries products imported into the EU, whether fresh, frozen or processed, would have to receive prior certification from the flag state that the products were legal and that the vessel concerned held the necessary licences or permits and quotas.

The validated catch certificates provided by the flag state would then have to accompany the fisheries products throughout the market chain. This would make it easier to verify that fish products had been caught legally, even if they had passed through a number of territories before arriving in the EU market, including possible processing along the way. We consider that such a measure would be particularly important to prevent the import of illegally-fished tuna products into the EU. It should benefit coastal developing countries involved in the processing of tuna products for their export to the EU and the EU tropical tuna sector operating in conformity with applicable norms.

In addition to this certification scheme, and with a view to deterring IUU operators and states from engaging in or supporting IUU fishing, the Commission proposal foresees the creation of a European black-listing mechanism. Fisheries relations, including trade of fisheries products, between EU Member States and black-listed non-cooperating states or vessels would effectively be banned. In both cases, the listing procedures would include safeguards and appeal mechanisms to ensure that blacklisted vessels and states received a fair hearing.

Concerning food safety, the hygiene regulations for the import of fishery products applies to all imports. First of all, the third country concerned must be on the Community list, which is based on recognition of its competent authority and conformity of its rules and systems with the relevant EU hygiene legislation. Fishery products are allowed into the European Union only if they come from an approved vessel or establishment in an approved third country. In its audits, the Food and Veterinary Office checks that only raw material from a listed country and establishment finds its way on to the Community market. Imports of fishery products into the European Union are also subject to a control regime at border inspection posts. Any changes in the rules of origin are without prejudice to the hygiene rules in place, i.e. these will continue to apply in full.

To conclude, we would like to assure you that Commission services will continue to ensure that your concerns are duly addressed and will work with our international partners to establish a trade regime that is in the best interests of both parties concerned.

Yours sincerely,



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