



**Long Distance RAC position
on the withdrawal of the allowance for tuna producer organisations
from the new Regulation on the Common Organization of the Markets
in fishery and aquaculture products COM(2011) 416 final**

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The LDRAC views with great concern one aspect of the Reform of the Common Fisheries Policy that concerns the stabilisation of market prices as outlined in the proposal for a new regulation on the common organisation of the markets (COM), in regards to tuna intended for the processing industry.

Under the above proposal, the **Compensatory Allowance for tuna delivered to the canning industry has been withdrawn** (an entire chapter – chapter 3 – of Regulation 104/2000 and preceding articles concerning the COM had been devoted to this mechanism).

It is the view of this LDRAC that the withdrawal of the Compensatory Allowance mechanism **will alienate Tuna Producer Organisations** (short of forcing them to cease to exist) by voiding these Organisations of all content, something which would clearly be a cause of harm to this sector as well as a serious infringement of the Community body of law on which the European Union's extractive tuna fishing sector policy is based.

While the compensatory allowance may not have been a perfect scheme, mainly due to constant cuts applied in successive reforms, its complete withdrawal would **leave the extractive tuna fishing sector to the mercy of tuna imports from third countries**, mainly from Asian and Latin American countries, who do not operate under conditions even remotely similar to those of European producers.

The measure proposed by the European Commission **in its proposal for a new Regulation, to finance private storage aid, does not compensate nor does it guarantee equitable income** for tuna producers against a deterioration in tuna prices in the Community market, a purpose which the Compensatory Allowance was intended to fulfil.

Private storage aid can under no circumstances replace the compensatory allowance mechanism that was set up back in the 70's, to offset the suspension of common customs tariff duties for the processing industry, a situation that is, and in our view should be, maintained, however as an indissoluble whole together with the payment of the compensatory allowance.

Although the Compensatory Allowance has only been activated on rare occasions in recent history, it is the opinion of the LDRAC that this scheme should be maintained at all costs, given that the private storage aid mechanism does not fit this sector, nor does it guarantee equitable income as a result of the removal of tariff barriers for tuna imported from third countries. **What is more, the private storage aid mechanism could have an adverse effect by preventing a rise in prices due to excessive product accumulating in refrigerators.**

It is the view of this LDRAC that the **administrative simplification argument is not valid** or sufficient to do away at a stroke with a scheme which, in certain cases, can serve as a cushion for this sector that catches a globalised product such as tuna, against an increase in low-cost tuna imports, more so taking into account the fragility of the existing safeguard measures.

As clearly indicated in whereas 32 and in the articles in Chapter 3 of Regulation 104/2000 and preceding articles (**TUNA INTENDED FOR THE PROCESSING INDUSTRIES**), **the COMPENSATORY ALLOWANCE SCHEME WAS SET UP TO OFFSET THE TOTAL AND PERMANENT SUSPENSION OF COMMON CUSTOMS TARIFF DUTIES FOR WHOLE TUNA FROM THIRD COUNTRIES INTENDED FOR THE PROCESSING INDUSTRIES.**

It is therefore the opinion of the LDRAC that, while the free import on an *erga omnes* basis of whole tuna from third countries intended for processing should be maintained, a specific condition that applies to tuna and not to other fisheries species, at the same time THE COMPENSATORY ALLOWANCE TO PRODUCERS OF FROZEN TUNA INTENDED FOR PROCESSING SHOULD BE INEXCUSABLY MAINTAINED.

The LDRAC also thinks that the deterioration of the prices on the market of the tunas destined for the transformation can be caused by the lack of guarantees and controls for the good respect of the imports of third countries on the wage, work, sanitary, environmental conditions etc that the European operators must respect. The European Union should ensure that his imports on the European market respect the same rules with regard to the conditions of production that answer to the criteria established by the European legislation.

THEREFORE, THIS LDRAC expresses its **CATEGORICAL OPPOSITION TO THE WITHDRAWAL OF THE COMPENSATORY ALLOWANCE for tuna intended for processing**, and hereby requests that the European Commission maintain said mechanism under the same terms as those established in Chapter 3 of Regulation 104/2000, and even reinforce them if possible.