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-PRESS RELEASE-

EU processors look for level playing field

The EU market for seafood has shown a slow but steady growth over the years. Consumers look for healthy, tasty and affordable food based on natural protein. Seafood provides for these consumer needs and there is potential for further market growth that can benefit both consumers and the seafood sector.

Europe does not produce sufficient seafood to meet consumer demand. Seafood processors in the EU prefer to buy local, but need to supplement the deficit by buying seafood in third countries. Availability, quality and sustainability are the parameters that determine and drive the sourcing policy.

Sufficient supplies of materials are needed to keep processing factories in the EU economically viable. These factories provide added value, investments in R&D and employment, often in rural and coastal areas.

Imports of seafood materials for further processing in the EU are taxed by import duties that can go up more than 20%. Without trade instruments, these imports would be too expensive for the European processing industry and the final product too expensive for the consumer. In these cases the imports of consumer ready processed seafood, for example canned products from third countries can be more attractive for the businesses.

Autonomous tariff quotas (ATQs) were introduced in the EU trade policy to provide for a level-playing field. Meaning that, if processors import certain species for further processing in the EU, the import duty will be lifted. This trade instrument is limited to pre-set maximum amounts of imports, taking into account any production and/or manufacturing capacity in the EU and based on studies that show no negative price effects for the EU producers.

Species used for battered and coated products like Alaska Pollack are not available in European waters, but are in high demand by the consumers. For other species like cod or tuna, the European landings are far below the market needs.

Guus Pastoor, AIPCE president, does not understand the confusing and antagonistic messages of some fishermen's organizations towards the ATQs trade instrument.

"Clearly, if the processors have to leave Europe and outsource their production in third countries because of lack of materials and lack of level playing field, the prices for fish landed by EU fishermen would really



be under pressure. You would have less buyers, and the products would have to be transported to third countries for processing. This would imply loss of employment and loss of added value in the EU.

Furthermore, as we have a deficit market we have to think about food security. *The Covid-19 crisis has shown that we need several sources to supply the market with seafood at affordable prices.*

It is time people start understanding the global market mechanism. *Making simple statements against imports is easy, but the facts cannot be ignored. There is good demand for fish landed in Europe. If the product meets the quality standards, there is a market. There are no unsold seafood mountains in European ports provided by the EU fleets."*

CEP president Peter Bamberger points at the nature of the seafood market.

*"Seafood is the most traded commodity on the global scale. This is because there are so many different fish species caught or produced in different parts of the world. **The global demand for seafood is growing, and Europe has to compete with other markets like Asia and the USA.** This is not about "cheap" imports. In many cases, the demand can push up prices. I can show enough cases where imports are more expensive than European fish. The reason behind imports is our desire to supply the market. **Remember, we are talking about imports of seafood materials with the value adding in our factories in Europe. If we cannot compete, these products will simply be processed outside of the EU and then imported as ready products."***

AIPCE and CEP appreciate the discussions now almost finalized on the ATQs for the period 2021-2023.

Guus Pastoor: *"The member states are in the final stage of negotiations for these ATQs and we have provided clear facts and figures. We are confident that policy makers understand that ATQs are not there to the detriment of the EU fishermen and that they add jobs and economic value.*

Why would we want to tax materials for healthy food?"

AIPCE (EU Fish Processors and Traders Association) and CEP (European Federation of National Organizations of Importers and Exporters of Fish) were established in 1959 and collaborate on the basis of a Co-operation Agreement, creating AIPCE-CEP.

The association represents 20 EU National Associations and 2 Associations in Third countries, for a total of nearly 3,500 companies, the majority of which with 20 employees at most, for total employment of around 120,000 persons. The overall value of the output of the industry represented by AIPCE-CEP amounts to around EUR 30 billion, or three times the turnover of the catch sector.

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