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Brussels, 15 April 2021

Revision of Union tariff quotas for fishery products originating in Norway and Iceland

Background

The EU is currently negotiating the revision of bilateral customs agreements with Norway and Iceland as members of the European Economic Area (EEA). As part of the negotiations, the parties will seek a new deal on a new set of autonomous tariff quotas (ATQs) for certain fishery products. This is triggered by the need to replace the Additional Protocols to the Agreements and the relating Commission implementing Regulations¹ that will expire at the end of April 2021. In this context, the EU fishing industry represented by Europêche see the need to reduce and even eliminate ATQs for certain fishery products as further analysed below.

General comments

The revised regulations will set the volumes of duty-free tariff quotas for key fishery products that will be granted free circulation in the EU market for the next few years. As a first observation, Europêche is not opposed to a tariff free setting for certain fishery products given that the EU is the largest fisheries market in the world, and a net importer of fish. Having said that, generally speaking, the EU is experiencing a situation where many important fish stocks have recovered over the last decade and led to an increase of EU fishing fleet catches and landings. This is especially true for important species such as mackerel and herring. Therefore, for these species, the EU catching sector can meet the needs of EU processors, providing the best quality fish whilst maintaining the highest standards.

In addition, the Covid pandemic has made one thing clear, the EU must reduce its dependency on foreign supply, particularly on food. Therefore, it is fundamental to maximising self-supply and internal procurement based on the potential of EU production, using the Total Allowable Catches (TACs) and quota system as a reference for analysing this potential.

Likewise, the zero-duty tariff policy choice must be extremely limited to a reduced quantity of fishery products taking into account the utilisation rate, added value, other existing trade agreements, the sustainability of the sourcing country and, most importantly, the need for a level playing field between EU and non-EU producers.

In this context, as constantly and successfully argued by the European Union during the Brexit negotiations, trade agreements with neighbouring third countries must have a direct link with negotiations on fisheries access, and therefore cannot be disconnected. In this vein, Europêche and EAPO stress that reciprocal free access to waters, ports, business ownership, investments and services cannot be separated from the issue of free trade and access of Norwegian and Icelandic fisheries products to the EU Single Market. This is based on the principle of reciprocity in international relations and treaties.

¹ COMMISSION IMPLEMENTING REGULATION (EU) 2016/1422 of 24 August 2016 amending Council Regulation (EC) No 992/95 as regards Union tariff quotas for certain agricultural and fishery products originating in Norway
COMMISSION IMPLEMENTING REGULATION (EU) 2016/1219 of 26 July 2016 amending Council Regulation (EC) No 499/96 as regards Union tariff quotas for certain fish and fishery products originating in Iceland

The current situation however is that Norwegians or Icelanders can own EU-flagged vessels, but EU ship-owners are not granted the same right and yet, fish products originating from Norway and Iceland have free access to our market.

This existing imbalance has become even more damaging for the EU fishing industry since now both the outcome of the EU-UK Trade and Cooperation Agreement (TCA) and the Norwegian action on the Svalbard cod are strongly and negatively impacting the EU fleet.

It is therefore necessary to directly link market access with access to fishing grounds and to decide possible trade and tariff preferences against this linkage. The double impact of the Brexit outcome and the Covid-19 pandemic on the EU fishing industry makes it even more essential to establish this linkage.

It would be a mistake to allow free market access for foreign seafood suppliers without applying the principle of reciprocity and mutual benefit. The European seafood market is our most powerful weapon in achieving fair global competition and the promotion of its core principles such as sustainability and social fairness in the field of fisheries. The EU must therefore use market access as means to safeguard its own fishing interests.

As stated by Regulation 2020/1706 providing ATQs for certain fishery products for the 2021–2023 period *“To ensure fair competition between imported fishery products and Union fishery products on the Union market, the impact of the measures on the competitiveness of Union fish producers, should also be taken into consideration.”* This is further underpinned by the EU Market Advisory Council recommendation on level playing field² which states that *“The ATQ instrument must be solely used when there is not sufficient seafood supply for our markets and cannot be intended to import non-sustainable products nor put pressure on EU producers’ prices.”*

Consequently, when identical, equivalent or substitute products are manufactured in sufficient quantities within the EU or by producers in a third country/territory with preferential tariff arrangements (GSP+, FTA), the granting of a quota should be excluded. The same applies where the measure could result in a distortion of competition in respect of the final products.

For some fish species such as Norwegian salmon, tariffs are non-existent or low for unprocessed fish, but higher for processed fish, which has led to a Norwegian fish often being exported unprocessed, and being processed in the EU, most notably in Denmark and Poland. In this sense, it should be highlighted that it is in the gutting and cleaning of the fish where the greatest number of jobs is required for the EU processing industry. Therefore, it is clear that increased imports of (already processed) fish filets to the EU will result in a loss of said jobs for these companies and a decrease in prices. As a consequence of the latter factor, ATQs with a tariff duty of zero will put more pressure on a EU catching sector heavily impacted by the Covid-19 crisis and the aftermath of Brexit.

Contrary to the above principles and developments, certain EU processing companies are requesting increased ATQs for the majority of the species included in the Annexes of the Regulations to the detriment of the produce from EU fishing fleet. The European Union should send a clear signal that it does recognise the importance of its companies and products.

² <https://marketac.eu/wp-content/uploads/2019/10/MAC-Advice-Level-Playing-Field-LPF-30.09.2019.pdf>

Specific comments

Europêche and EAPO would like to comment on the fish species that pose most concern on the fleet.

Mackerel

As reflected in the Annex, overtime, there has been a significant increase in the volume of mackerel that can be imported tariff free to supposedly fill the EU market gap. However, we are now facing a different scenario. There is plenty of EU quota so no shortage in raw material occurs and therefore there is absolutely no need for extra supply to the European market.

Furthermore, many of the tariff quota imports for mackerel have been heavily underutilised during the past year as clearly shown by ATQ quota consumption data.

In light of the above, the strong reduction in prices and demand due to Covid-19 and given the fact that only two EU processing companies are the main recipients of Norwegian whole fish, we strongly request to:

- **Delete order numbers 09.0712 and 09.0725 because of self-sufficiency of the EU fleet**
- **Delete order number 09.0818 because of direct competition with EU mackerel produce and processing industry.**

**To be noted: there are also some tariff derogations for mackerel from Peru and Thailand not used to date.*

Herring

As reflected in the Annex, overtime, there has been a significant increase in the volume of herring that can be imported tariff free. However, we are now facing a different scenario to supposedly fill the EU market gap. However, we are now facing a different scenario. There is plenty of EU quota so no shortage in raw material occurs and therefore there is absolutely no need for extra supply to the European market.

Furthermore, many of the tariff quota imports for mackerel have been heavily underutilised during the past year as clearly shown by ATQ quota consumption data.

Furthermore, Europêche fully endorses EAPO letter (EAPO21-18) on herring whereby *“increased duty-free imports of fresh and chilled herring from Norway risk leading to price pressure and reduced profitability for the fishing sector which is a direct threat to local coastal communities”*.

In light of the above, the current strong reduction in prices and demand due to Covid-19, we strongly request to:

- **Delete order numbers 09.0740, 09.0750, 09.0756, 09.0819 and 09.0752 because of competition with the EU herring processing industry.**
- **Delete order numbers 09.0710 and 09.0752 because of self-sufficiency of the EU fleet.**

In order to protect EU jobs on land, especially in small ports, we underline that supply of fresh whole, mainly Atlanto Scandian herring through Norwegian landings into EU ports which forms a key raw material for the semi-finished product industry should be covered by the preferential tariff regime. The Atlanto Scandian herring is bigger in size than other populations from the herring family, is a different product and is sold to different markets (in comparison with North Sea herring). The EU semi-

finished product industry has insufficient Atlanto Scandian herring quota available (the EU holds only 4,5% of the TAC, of which a substantial part is caught by the pelagic freezer trawlers segment). Therefore we request to increase the tariff free quota for fresh whole herring CN code [0302 41 00](#) for the period 16 June till 14 February by 30.000 tons to 30.800 tons. CN code 0302 41 00 is part of order number 09.0723 for which a small quota of 800 tons applies. The figure of 30.000 tons whole fresh (Atlanto Scandian) herring is based on the need of the semi-finished product industry taken into consideration their processing capacity, the sales expectations and supply forecasts from other sources (landings by EU vessels).

Cod

Large volumes of cod, particularly from Norway, can benefit from tariff free measures. As highlighted in the introduction, trade agreements with neighbouring third countries must have a direct link with negotiations on fisheries access, and therefore cannot be disconnected. Thus, given the current political scenario and the significant quota reduction suffered by the EU fishing fleet to the benefit of third country's fleets, the resulting cod supply shortage cannot be compensated and even less rewarded through free market access. Quite the opposite, the EU must use market access as means to safeguard its own fishing interests.

Furthermore, many of the tariff quota imports for cod under the Norwegian agreement (Code (09.0703)) have been heavily underutilised during the past year as described in the Annex. This in stark contrast with the ATQ erga omnes.

In light of the above, we strongly request to:

- **Delete “cod” and proportionally reduce the quota allocated to this fish species under order numbers 09.0703, 09.0722, 09.0730 and 09.0743.**

Red fish

A significant amount of redfish can also benefit from tariff free measures.

Furthermore, many of the tariff quota imports for filets of redfish under the Norwegian and Icelandic agreements have been underutilised during the past year as described in the Annex.

In light of the above, we strongly request to:

- **Delete order number 09.0811, because of low quota consumption and for entering into direct competition with EU red fish produce and processing industry.**
- **Delete “red fish” and proportionally reduce the quota allocated to this fish species under order numbers 09.0730 and 09.0728 for the same reasons.**

Conclusion

Europêche and EAPO firmly believe that the processing sector has a legitimate and important role to play in supplying sufficient quantities of seafood to EU citizens. However, we are of the opinion that, in light of the socio-economic consequences of ATQs to the EU fishing industry, political scenario, quota consumption and the need to maintain a level playing field, this instrument must be solely used when there is no sufficient seafood supply for our markets and cannot be intended to put pressure on EU producers' prices. Europêche and EAPO trust EU decision-makers will pay due attention to the EU fishing industry comments and concerns.

ANNEX

ATQ quota consumption 2020-2021: mackerel

Report on Tariff Quota Imports								Date & Time :	24/3/21 9:22
Order Number	Description	Sub Quota	Origin	Application Period	Volume	Unit	Import Amount	Balance	Last Import Date
09.0706	Prepared or preserved fish of sardines, bonito, mackerel of the species Scomber scombrus and Scomber japonicus, fish of the species <i>Orcynopsis unicolor</i> , other than whole or in pieces		TH	01.01.2021 - 31.12.2021	123.000	Kilograms	0	123.000	
09.0707	Prepared or preserved fish of sardines, bonito, mackerel of the species Scomber scombrus and Scomber japonicus, fish of the species <i>Orcynopsis unicolor</i> , other than whole or in pieces		E.O.	01.01.2021 - 31.12.2021	631.000	Kilograms	36.521	594.479	10.03.2021
09.0712	Mackerel (scomber scombrus and Scomber japonicus), frozen, excluding livers and roes.		NO	01.05.2020 - 30.04.2021	37.500.000	Kilograms	8.863.988	28.636.012	13.02.2021
09.0724	Mackerel (scomber scombrus and Scomber japonicus), frozen, excluding livers and roes.		NO	16.06.2020 - 14.02.2021	260.000	Kilograms	260.000	0	03.07.2020
09.0725	Mackerel (scomber scombrus, Scomber japonicus), frozen		NO	16.06.2020 - 14.02.2021	30.600.000	Kilograms	11.425.280	19.174.720	12.02.2021
09.0742	Prepared or preserved mackerel (scomber scombrus, Scomber japonicus), whole or in pieces		NO	01.01.2021 - 31.12.2021	130.000	Kilograms	534	129.466	19.03.2021
09.0818	Fillets of mackerel, frozen Flaps of mackerel, frozen		NO	01.05.2020 - 30.04.2021	16.950.000	Kilograms	885.099	16.064.901	17.03.2021
09.2505	Chub mackerel (Scomber japonicus), whole, fillets and flaps, for processing		E.O.	01.01.2021 - 31.12.2021	5.000.000	Kilograms	0	5.000.000	
09.7195	Frozen mackerel Scomber scombrus and scomber japonicus		PE	01.03.2020 - 28.02.2021	4.000.000	Kilograms	0	4.000.000	
09.7200	Fillets of mackerel of the species Scomber scombrus and scomber japonicus, prepared or preserved		PE	01.03.2020 - 28.02.2021	2.000.000	Kilograms	0	2.000.000	
09.7201	Mackerel of the species Scomber scombrus and scomber japonicus, prepared or preserved, whole or in pieces, but not minced, other than fillets		PE	01.03.2020 - 28.02.2021	800.000	Kilograms	0	800.000	

ATQ quota consumption 2020-2021: herring

Report on Tariff Quota Imports								Date & Time :	24/3/21 9:22
Order Number	Description	Sub Quota	Origin	Application Period	Volume	Unit	Import Amount	Balance	Last Import Date
09.0710	Herrings (Clupea harengus, Clupea pallasii), frozen, excluding livers and roes.		NO	01.05.2020 - 30.04.2021	39.750.000	Kilograms	5.956.781	33.793.219	14.02.2021
09.0714	Fillets of herrings (Clupea harengus, Clupea pallasii), frozen. Flaps of herrings (Clupea harengus, Clupea pallasii), frozen.		NO	01.05.2020 - 30.04.2021	83.400.000	Kilograms	26.602.802	56.797.198	18.03.2021
09.0723	Herrings (Clupea harengus, Clupea pallasii), fresh, chilled or frozen		NO	16.06.2020 - 14.02.2021	800.000	Kilograms	800.000	0	26.11.2020
09.0729	Flaps of herring and other fish meat		NO	01.01.2021 - 31.12.2021	130.000	Kilograms	22.123	107.877	18.03.2021
09.0735	Herrings (Clupea harengus, Clupea pallasii), salted but not dried or smoked and herrings in brine		NO	01.01.2021 - 31.12.2021	1.440.000	Kilograms	8.319	1.431.682	17.03.2021
09.0740	Prepared or preserved herrings, whole or in pieces, in airtight containers; other		NO	01.01.2021 - 31.12.2021	3.000.000	Kilograms	1.875.497	1.124.503	17.03.2021
09.0750	Herring, spiced and/or vinegar cured, in brine.		NO	01.05.2020 - 30.04.2021	17.100.000	kilograms of drained weight	12.146.710	4.953.290	19.03.2021
09.0752	Herrings of the species Clupea harengus or Clupea pallasii, frozen, excluding livers and roes, for industrial processing (a)(2)		NO	01.01.2021 - 31.12.2021	44.000.000	Kilograms	777.294	43.222.706	13.02.2021
09.0756	Fillets of herring, frozen; flaps of herring (butterflies), frozen, for industrial processing (a)(2)		NO	01.01.2021 - 31.12.2021	67.000.000	Kilograms	13.748.950	53.251.050	19.03.2021
09.0792	Herring of the species Clupea harengus or Clupea pallasii, frozen, excluding livers/roes, for industrial processing (a)(1)		IS	01.01.2021 - 31.12.2021	950.000	Kilograms	0	950.000	
09.0795	Herring, salted but not dried or smoked, and herring in brine.		IS	01.01.2021 - 31.12.2021	1.750.000	Kilograms	0	1.750.000	
09.0797	Other prepared or preserved herring, in hermetically sealed containers. Other prepared or preserved herring.		IS	01.01.2021 - 31.12.2021	2.400.000	Kilograms	218.410	2.181.590	13.03.2021
09.0812	Herrings of the species Clupea harengus or Clupea pallasii, frozen, excluding livers and roes.		IS	01.05.2020 - 30.04.2021	1.400.000	Kilograms	385.160	1.014.840	11.02.2021
09.0819	Fillets of herrings (Clupea harengus, Clupea pallasii), fresh or chilled Flaps of herring, fresh or chilled		NO	01.05.2020 - 30.04.2021	13.500.000	Kilograms	49.552	13.450.448	10.12.2020
09.8307	Prepared or preserved herring, whole or in pieces but not minced		CA	01.01.2021 - 31.12.2021	50.000	Kilograms	0	50.000	
09.2788	Herrings (Clupea harengus, Clupea pallasii) of a weight exceeding 100 g per piece or flaps of a weight exceeding 80 g per piece, excluding livers and roes, for processing		E.O.	01.10.2021 - 14.02.2022	10.000.000	Kilograms	0	10.000.000	
09.0006	Herrings, subject to compliance with the reference prices		E.O.	16.06.2020 - 14.02.2021	34.000.000	Kilograms	34.000.000	0	21.12.2020

ATQ quota consumption 2020-2021: cod

Report on Tariff Quota Imports - 2020								Date & Time :	25/1/21 11:08
Order Number	Description	Sub Quota	Origin	Application Period	Volume	Unit	Import Amount	Balance	Last Import Date
09.0007	Cod, dried or salted		E.O.	01.01.2020 - 31.12.2020	25.000.000	Kilograms	24.878.374	121.626	19.12.2020
09.2759	Cod (Gadus morhua, Gadus ogac, Gadus macrocephalus) and fish of the species Boreogadus saida, excluding livers and roes, fresh, chilled or frozen, for processing		E.O.	01.01.2020 - 31.12.2020	95.000.000	Kilograms	71.023.821	23.976.179	31.12.2020
09.2765	Cod (Gadus morhua, Gadus ogac, Gadus macrocephalus) and fish of the species Boreogadus saida, salted or in brine, but not dried or smoked, for processing		E.O.	01.01.2020 - 31.12.2020	3.500.000	Kilograms	1.303.200	2.196.800	22.12.2020
09.2776	Cod, (Gadus morhua, Gadus macrocephalus), frozen fillets and meat, for processing		E.O.	01.01.2020 - 31.12.2020	50.000.000	Kilograms	49.732.176	267.824	31.12.2020
09.0703	Dried, salted but not smoked cod, excluding cod of the species Gadus macrocephalus. Dried, salted but not smoked fish of the species Boreogadus saida		NO	01.04.2020 - 31.12.2020	13.250.000	Kilograms	1.979.496	11.270.504	30.12.2020
09.0722	Frozen meat of swordfish, cod, coalfish, haddock, hake, blue whiting, Alaska pollack, saltwater fish, excluding mackerel		NO	01.01.2020 - 31.12.2020	500.000	Kilograms	500.000	0	09.09.2020
09.0730	Frozen fillets of swordfish, cod, coalfish, haddock, redfish, hake, plaice, monkfish, Alaska pollack, blue grenadier Other frozen fillets		NO	01.01.2020 - 31.12.2020	9.000.000	Kilograms	9.000.000	0	18.08.2020
09.0743	Prepared or preserved cod, coalfish, hake, Alaska pollack, Other fish, meat of other fish		NO	01.01.2020 - 31.12.2020	5.500.000	Kilograms	2.537.296	2.962.704	21.12.2020
09.0794	Sole, Megrim and other flat fish, excluding fish fillets and other fish meat, Blue whiting, excluding fish fillets and other fish meat, Plaice, frozen, excluding fish fillets and other fish meat, Toothfish and other		IS	01.01.2020 - 31.12.2020	250.000	Kilograms	250.000	0	14.01.2020

Report on Tariff Quota Imports								Date & Time :	24/3/21 9:22
Order Number	Description	Sub Quota	Origin	Application Period	Volume	Unit	Import Amount	Balance	Last Import Date
09.0007	Cod, dried or salted		E.O.	01.01.2021 - 31.12.2021	24.998.000	Kilograms	4.424.570	20.573.430	19.03.2021
09.0703	Dried, salted but not smoked cod, excluding cod of the species Gadus macrocephalus. Dried, salted but not smoked fish of the species Boreogadus saida		NO	01.04.2021 - 31.12.2021	13.250.000	Kilograms	0	13.250.000	
09.0722	Frozen meat of swordfish, cod, coalfish, haddock, hake, blue whiting, Alaska pollack, saltwater fish, excluding mackerel		NO	01.01.2021 - 31.12.2021	500.000	Kilograms	126.820	373.180	18.03.2021
09.0730	Frozen fillets of swordfish, cod, coalfish, haddock, redfish, hake, plaice, monkfish, Alaska pollack, blue grenadier Other frozen fillets		NO	01.01.2021 - 31.12.2021	9.000.000	Kilograms	2.376.691	6.623.309	19.03.2021
09.0743	Prepared or preserved cod, coalfish, hake, Alaska pollack, Other fish, meat of other fish		NO	01.01.2021 - 31.12.2021	5.500.000	Kilograms	1.039.811	4.460.189	19.03.2021
09.2759	Cod (Gadus morhua, Gadus ogac, Gadus macrocephalus) and fish of the species Boreogadus saida, excluding livers and roes, fresh, chilled or frozen, for processing		E.O.	01.01.2021 - 31.12.2021	110.000.000	Kilograms	13.005.920	96.994.080	19.03.2021
09.2765	Cod (Gadus morhua, Gadus ogac, Gadus macrocephalus) and fish of the species Boreogadus saida, salted or in brine, but not dried or smoked, for processing		E.O.	01.01.2021 - 31.12.2021	2.000.000	Kilograms	373.600	1.626.400	17.03.2021
09.2776	Cod, (Gadus morhua, Gadus macrocephalus), frozen fillets and meat, for processing		E.O.	01.01.2021 - 31.12.2021	50.000.000	Kilograms	6.578.865	43.421.135	19.03.2021
09.8403	Frozen fillets of cod of the species Gadus morhua and Gadus ogac Frozen fillets of Polar cod (Boreogadus saida)		CA	01.01.2021 - 31.12.2021	1.000.000	Kilograms	13.595	986.405	15.03.2021
09.8403	Frozen fillets of cod of the species Gadus morhua and Gadus ogac Frozen fillets of Polar cod (Boreogadus saida)		CA	01.01.2020 - 31.12.2020	1.000.000	Kilograms	307.001	692.999	30.12.2020

ATQ quota consumption 2020-2021: red fish

Report on Tariff Quota Imports								Date & Time :	24/3/21 9:22
Order Number	Description	Sub Quota	Origin	Application Period	Volume	Unit	Import Amount	Balance	Last Import Date
09.0726	Redfish (Sebastes spp.), fresh, chilled or frozen		NO	01.01.2021 - 31.12.2021	130.000	Kilograms	130.000	0	18.01.2021
09.0728	Fillets of coalfish (Pollachius virens) and redfish (Sebastes spp.), fresh or chilled Other fillets, fresh or chilled		NO	01.01.2021 - 31.12.2021	180.000	Kilograms	29.555	150.445	18.03.2021
09.0730	Frozen fillets of swordfish, cod, coalfish, haddock, redfish, hake, plaice, monkfish, Alaska pollack, blue grenadier Other frozen fillets		NO	01.01.2021 - 31.12.2021	9.000.000	Kilograms	2.376.691	6.623.309	19.03.2021
09.0794	Sole, Megrim and other flat fish, excluding fish fillets and other fish meat, Blue whiting, excluding fish fillets and other fish meat, Plaice, frozen, excluding fish fillets and other fish meat, Toothfish and other		IS	01.01.2021 - 31.12.2021	250.000	Kilograms	250.000	0	13.01.2021

Report on Tariff Quota Imports - 2020								Date & Time :	25/1/21 11:08
Order Number	Description	Sub Quota	Origin	Application Period	Volume	Unit	Import Amount	Balance	Last Import Date
09.0726	Redfish (Sebastes spp.), fresh, chilled or frozen		NO	01.01.2020 - 31.12.2020	130.000	Kilograms	130.000	0	21.01.2020
09.0728	Fillets of coalfish (Pollachius virens) and redfish (Sebastes spp.), fresh or chilled Other fillets, fresh or chilled		NO	01.01.2020 - 31.12.2020	180.000	Kilograms	25.815	154.185	28.12.2020
09.0811	Fillets of redfish, fresh or chilled		IS	01.05.2019 - 30.04.2020	2.948.000	Kilograms	1.387.817	1.560.183	30.04.2020
09.0811	Fillets of redfish, fresh or chilled		IS	01.05.2020 - 30.04.2021	2.948.000	Kilograms	783.944	2.164.056	20.01.2021