

Submission,  
IFPEA,  
30-10-18

## **IRISH FISH PROCESSORS AND EXPORTERS ASSOCIATION (IFPEA)**

### **SUBMISSION TO THE OIREACHTAS COMMITTEE ON AGRICULTURE, FOOD AND THE MARINE REGARDING THE UK WITHDRAWAL FROM THE EUROPEAN UNION (BREXIT) AND ITS POTENTIAL EFFECTS ON THE IRISH FISH PROCESSING AND EXPORTING INDUSTRY**

**26.10.18**

#### **INTRODUCTION**

The IFPEA is an officially recognised representative body which represents the interests of seafood processors and exporters in their dealings with government, with state agencies and at EU level. The organisation is a member of AIPCEE, the EU umbrella body which represents the same interests at EU level.

The IFPEA wishes to thank the Committee for its interest in this subject as relates to the sea fishing industry, including processing and exporting.

#### **SUPPLY FROM IRISH VESSELS VITAL**

Irish seafood processors and exporters source their product within Ireland where possible, but also process imported fish where the indigenous supply is either not sufficient to meet demand or where seasonal availability restricts supply at certain times of year. It will be noted that all Irish suppliers – fishing vessels - are subject to catch quotas for most commercial species, and that supplies of aquaculture-produced farm products is also restricted at various times.

#### **COMMON INTERESTS – PROCESSORS / CATCHING SECTOR**

In the first instance therefore, Irish seafood processors' interests are fully aligned with those of the Irish fishing industry with respect to BREXIT. The IFPEA fully supports the efforts by Irish catching sector organisations domestically and at an EU level through the European Fisheries Alliance in responding to BREXIT. Any diminution of access to the UK Exclusive Economic Zone (EEZ) for Irish vessels would be severely detrimental to the Irish fishing fleet, as would any diminution in fishing opportunities in the EEZ in the form of quota. This applies in particular to the two most economically important species caught by the Irish catching sector, Mackerel and so-called Dublin Bay Prawns, otherwise known as Nephrops.

#### **MACKEREL**

Mackerel is a migratory species, which is one stock within North East Atlantic waters. It spawns off the south-west coast of Ireland and can be found as far

north as Norway and Iceland and is currently managed by way of agreement within the EU and with non EU countries. The key point to remember as regards market value and therefore economic importance, is that Mackerel which is caught within the UK EEZ off the north of Scotland and west of the Shetland Islands, is its prime as regards fat content and condition. Irish pelagic vessels catch the bulk of their Mackerel quota in these areas, with the majority of those fish being landed back to processing plants in Ireland.

It is imperative that Irish vessels retain their current access and quota shares in these waters post transition into the future, if the Irish pelagic processing sector which exports to Asia, Europe and Africa, is to survive.

### **NEPHROPS – DUBLIN BAY PRAWNS**

Nephrops, on the other hand, are sedentary and relatively static stocks whose habitations are delimited by the sea-bed topography. Nephrops is the mainstay of the economic health of the Irish non-pelagic fishing sector from Clogherhead around the Irish sea, to the west coast. A significant portion of the fishing areas which are targeted by Irish vessels for Nephrops are within the UK EEZ – in the Irish Sea and off the south-east coast in what is known as the ‘Smalls’ and Jones’ Bank areas.

Whatever their shortcomings, the current CFP arrangements have at least provided stability and long-term management of shared stocks for the past forty years, with quota shares for each country established by permanent allocation keys. A system of swapping of quota has also been developed between EU member states which adds to the potential for each country to maximise its opportunities.

### **DISTORTIONS**

The IFPEA is extremely concerned that the withdrawal of the UK has the potential to gravely diminish fishing opportunities for Irish vessels and therefore, supplies from Irish vessels to Irish processing and exporting entities. It has the potential to derail established patterns of fishing and diminish the supply of various pelagic and demersal species into Ireland from Irish and non-Irish sources and the opportunity to maximise value and employment.

### **STRATEGY**

It is imperative therefore for the EU to use maximum leverage in the negotiations with the UK concerning withdrawal, by continuing the strategy which is in place to keep fisheries issues tied in with the wider trade issues. The UK cannot be allowed to have (more of) its cake, so to speak, and then to be able to trade that additional product into the EU, post Brexit.

## UNDERSTANDING OF OUR ISSUES AND SUPPORT FOR THE SECTOR

We note with satisfaction the negotiating mandate given to the Barnier negotiating team in which the maintenance of reciprocal rights in fishing is to be maintained. We also appreciate the opportunities we have had to engage directly with M. Barnier, with an Taoiseach, the Tánaiste and Minister Creed on these issues. We are confident that they have a very clear understanding of what is at stake with respect to our sector and that every effort is being made to achieve agreement with the UK which reflects this. However, we are aware that the UK, utilising a flawed and we believe unjustified analysis which suggests they have historically been hard-done-by in the CFP, is promulgating a vision for UK fisheries diametrically opposed to ours.

We believe that there is a clear understanding within the UK seafood processing sector that any BREXIT option is significantly less optimal for their industry than the current position of EU membership, and that no-deal options are potentially disastrous for them.

### UK 2018 FISHERIES BILL 25 OCT 2018

We note in particular the publication yesterday (October 25<sup>th</sup>) of a UK Fisheries Bill 2018, the accompanying note to which the following extract is taken:

*“Controlling access – by ending current automatic rights for EU vessels to fish in UK waters. In future, access to fish in UK waters will be a matter for the UK to negotiate and we will decide on the terms – foreign vessels would have to follow our rules.*

*• Setting fishing opportunities – by proposing powers to ensure that the UK can set its own fishing quota and days at sea, which it will negotiate as an independent coastal State. As now, the UK government will consult the Devolved Administrations.”*

While the Bill remains to make its way through the UK Parliament and will require commencement orders and is obviously subject to the provisions of agreement with the EU on a post BREXIT and post transition period (if agreed), it nonetheless represents a very negative direction of travel by the UK in respect of Ireland and the other EU countries. The maintenance of solidarity among the affected EU states will remain imperative, as will the support of EU heads of government with respect to these issues.

### A NO-DEAL BREXIT

The potential for a ‘no-deal’ BREXIT looms large at present, with no certainty as to whether in fact a deal for withdrawal is made and therefore whether a transition will exist at least until the end of 2020, as is included and provisionally agreed in the putative transition arrangements.

A 'no deal' BREXIT would be an unmitigated disaster in general terms for the UK, the EU and particularly for Ireland. It would be cataclysmic for Ireland's seafood sector in that no deal would mean that there is no access or quota share in UK waters, which are no longer in the EU, overnight on March 29, 2019. We would then be in a position where Ireland and the EU would have to negotiate access.

## **TRADE EFFECTS**

The general effects of the UK exit from a trade and market point of view would be similar for the Irish seafood processing and exporting sector as with the Agrifood sector. We are talking about a mixture of frozen and fresh seafood products, the latter which is highly perishable. Additional time delays due to customs, additional costs due to tariffs in either direction, the additional logistical problems affecting routes to market, freight arrangements and the ability to seamlessly meet customers' requirements, are all under threat. Much of Ireland's seafood trade in either fresh or processed product is via the UK landbridge into Europe, with a relatively modest but still significant UK market in some products, particularly in consumer goods for UK supermarket chains.

## **UNCERTAINTY**

The uncertainty that BREXIT has engendered, the protracted nature of the negotiations, the whole bizarreness of the UK internal negotiations with itself and the closer we come to the critical dates without resolution and clarity, all are acting as a brake on investment, and a major distraction for business and a brake on further employment creation.

The whole thing is an unmitigated mess.

ENDS