ATQ system a battle or a SUCCESS?

Brussels, October 11, 2017

Guus Pastoor
chairman

WHAT IS AIPCE-CEP

- **AIPCE-CEP is composed of the EU Fish Processors and Traders Association**
- **These professional associations were established in 1959**
- **Working Groups on Food Law, Sustainability & Trade that draw on the collective expertise of our members in both the national associations and the commercial operators in each member state**
- **27 billion euro, 3500 companies, 120.000 direct labour**

FOOD BALANCE FOR FISH

Tab. 4.1 Food balance for fish and fishery products

1,000 tonnes live weight

	EU (25)	EU (27)							EU (28)				
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 a)
Catches b)	6,905	5,200	5,136	5,216	5,068	4,944	4,889	4,604	4,842	4,868	4,959	4,762	4,667
+ Aquaculture production c)	-	1,283	1,306	1,239	1,286	1,256	1,227	1,237	1,211	1,282	1,346	1,340	1,442
- Non-food uses	2,400	1,000	1,000	1,000	1,000	1,000	1,000	700	1,019	989	1,162	885	885
= Supply for consumption	4,505	5,536	5,442	5,455	5,354	5,200	5,116	5,141	5,034	5,161	5,143	5,217	5,224
+ Imports (Third countries) d)	8,355	8,741	9,061	9,247	8,928	8,894	9,221	8,858	8,927	9,124	8,990	9,203	9,387
= Total supply	12,860	14,277	14,503	14,702	14,282	14,094	14,337	13,999	13,961	14,285	14,133	14,420	14,611
- Exports (Third countries) d)	2,196	1,925	1,944	1,994	1,905	2,104	1,951	2,086	2,002	2,293	2,012	1,927	1,888
= Total consumption	10,664	12,352	12,559	12,708	12,377	11,990	12,386	11,913	11,959	11,992	12,121	12,493	12,723
Total supply (kg/caput) e)	28	29	29	30	29	28	29	28	28	28	28	28	29
by catches for consumption in %	35	39	38	37	37	37	36	37	36	36	36	36	36
by third countries imports in %	65	61	62	63	63	63	64	63	64	64	64	64	64
Supply for consumption (kg/caput) f)	23.2	26.6	25.4	25.6	24.9	24.0	24.7	23.8	23.7	23.7	23.8	24.5	24.9
Self-sufficiency (%) g)	42	45	43	43	43	43	41	43	42	43	42	42	41

Notes: a) Estimation.- b) Incl. Aquaculture production until 2005.- c) Estimation for 2015-2017.- d) Without fishmeal (feed) and fishoil, product weight converted into live weight.
e) Total supply / EU-population * 1000 = kg/caput/year.- f) Supply for consumption / EU-population * 1000.- g) Supply for consumption / Total supply * 100 = Rate of self-sufficiency in %.-

Source: FAO, Eurostat-Comext, EU catch report, estimations

STATISTICS – 2017 STUDY

- **Total market supply is up to 14,4 million tonnes* the highest level since the economic woes of 2008**

- **Imported volume is up to 9,2 million tonnes* the second highest in our time series**

- **Share of imports slightly up at 63.8%**

- **Net consumption up 2.5% to 24,5kg***

- **Wild capture whitefish import dependency rising again and reached 88,9%**

** WFE.*

WHITEFISH SPECIES

Low self-sufficiency in ALL major whitefish species and trend is downwards

Cod	<11%	↓
Saithe	26%	↓
Haddock	25%	↓
Hake	20%	↑
Redfish	20%	↓
Alaska Pollock	0%	=
Pangasius	0%	=

Overall EU self-sufficiency for major Whitefish is just 11%
Utilisation for EU fisheries has deteriorated again which is disappointing as quotas had risen last year
(Current maximum potential is to reach just above 16%)

KEY NON-EU SUPPLY COUNTRIES

	Share of Imports		Volume Change
China	22,6%	=	3,5%
Norway	17,2%	↓	2,7%
Iceland	13,1%	↑	9,7%
Faroes	2,7%	=	3,0%
USA	15,7%	↓	1,3%
Russia	11,4%	↑	0,6%
Namibia	5.5%	=	3.0%
Argentine	3,1%	↑	11,6%
New Zealand	1,9%	↑	40,0%
Rest	6.9%	↑	7,9%

Total wild capture whitefish imports grew by 4%
All major supply nations have enjoyed volume growth

TRADE DYNAMICS

- **Fish Exports slipped 4,3% to 1.927 million tonnes The continuation of trade sanctions in Russia and Nigeria are still holding back activity in Pelagic species but these have now been in place for some time so they are not causing new changes**

- **The ATQ process is an essential part of AIPCE-CEP activity and we are close to full utilisation on all key items**
  Once again the Safeguard clause for H&G Cod was triggered

  Preparation for the next round is beginning and we anticipate the needs of the industry to grow as the consumption trends are positive

TRADE DYNAMICS

- **Brexit is looming**

  Whilst there is no certainty about anything it is clear that the UK withdrawal can have profound effects on the integrated nature of the EU seafood market

  The UK is the biggest consumer of both Cod and Haddock so the long term implications to these species are likely to be of greatest impact

Autonomous Tariff Quota system (ATQ's) REG 2015/2265 for 2016-2018

Reasons to be cheerfull part 1

- Further potential for market growth
- Potential for bringing back processing closer to consumer markets in EU
- Processing industry can provide job growth also through multiplier effect on related sectors
- All scenario's based on adequate supply of materials
- ATQ's help grow the market

Reasons to be sad part 2

- **Most ATQ's insufficient for market need**
- **Tariff Suspension system discarded by the Commission**
- **Political sensitivity because of perceived substitution of EU fish**
- **ATQ is gambling act for operators: first come/first served**
- **Decision making process long and late**
- **New UCC rules: more risk for importers**

This evoques speculation and economic losses

www.aipce-cep.org