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DIRECTORATE-GENERAL FOR MARITIME AFFAIRS AND FISHERIES

THE DIRECTOR-GENERAL

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M. Antonio Schiappa Cabral
Long Distance RAC
C/ Velázquez 41, 4° C
28001 Madrid
SPAIN

Subject: LDRAC advice on the interim Economic Partnership Agreement with ACP countries

Dear Mr Cabral,

I thank you for the opinion of the LDRAC of 16 October 2009 regarding the concession made to Pacific ACP countries under the current Interim Economic Partnership Agreement (EPA).

The decision of granting special origin rules for processed fishery products to the Pacific region was endorsed by all EU Member States in 2007 upon a Commission proposal. It has been included in the interim EPA initialled in late 2007 by Papua New Guinea and Fiji, and signed by Papua New Guinea in July 2009.

I understand the concerns expressed by the LDRAC in the above mentioned opinion.

The Commission has carried out an impact assessment on the Rules of Origin for the fisheries sector for the specific case of the Pacific ACP region. It is stated in this report that a simplification on the Rules of Origin for fish for the Pacific ACP Country can help for the achievement of the EPAs objectives concerning sustainable development, growth and employment. Furthermore, the analysis shows that the concession of special origin rules would be unlikely to have a significant negative impact, if any, on the EU market and EU canning industry.

This study is published on the EU website:

http://ec.europa.eu/governance/impact/ia_carried_out/docs/ia_2007/sec_2007_1167_en.pdf

The special origin rule for processed fishery products is an exceptional concession given the peculiar and unique situation of the Pacific ACP countries. As you may know, the fisheries sector is vital for the economic development of the Pacific countries, especially for small and vulnerable island States where other development opportunities are quite limited.

The Commission has already taken into account the concerns voiced by the EU stakeholders in the framework of the current negotiations for a comprehensive Economic Partnership Agreement with the Pacific ACP countries.

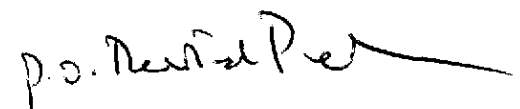
The fisheries chapter in the comprehensive EPA will contain provisions supporting conservation and management of fisheries resources as well as promoting responsible and sustainable fishing practices. Monitoring and surveillance provisions will be an essential part of the proposal. Moreover, the comprehensive EPA will contain the chapter on Social Aspects referring to the international labour standards and effectively addressing the problem of social dumping.

It is also important to underline that the Commission has already allocated financial development assistance to the Pacific ACP region for an amount of 20 million Euros to be expended over the next 4-5 years in order to support sustainable management of regional fishery resources.

The Commission will follow very closely the development of the situation in the Pacific as well as of EU imports of fish and fishery products in order to ensure that the special origin rules serve its original purpose of promoting the development of Pacific States. This will also include potential impacts on the EU fish canning industry in terms of employment, as well as how this derogation may affect the traditional suppliers of canned tuna to the EU, notably ACP and other GSP countries. A consultation mechanism is set up in the interim EPA rules of origin and focuses in particular on the development effects of the mentioned rules and the effective conservation and sustainable management of the resources.

Finally, let me re-assure you that these rules will not create a precedent. The EU has already refused to grant this provision in other trade arrangements that it is currently negotiating. The EU has made very clear since the outset that the special trade regime for processed fishery products is tailor-made to the very particular situation of the Pacific ACP States.

Yours sincerely,


Fokion Fotiadis