OECD Workshop - Opportunities and Challenges of Fisheries Globalisation - Paris 4/07

Aquaculture in a global age - the EU perspective

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Plan of presentation

- 1. Introduction
- 2. Aquaculture governance and policy in the EU
- 3 Case studies of aquaculture in a global age - salmon and seabass/seabream
- 4. Value chain issues and the image of aquaculture
- 5. The way forward

1. Introducing the EU

- 50th Anniversary March 2007- from 6 to 27 Member States working together for peace and prosperity based on the rule of law
- Four freedoms of EU - people, goods, services and money can move freely
- The world’s leading trade power - a single market of almost 500 million people
- Working for fair trade and seeking to harness globalisation through the WTO
- Aims to ensure that our trading partners in the developing world can join in the system - trade for a better world
- ‘Global Europe - Competing in the World’ (2006)

Introduction - Growth of Aquaculture

- Aquaculture continues to grow while capture of wild fish has levelled off - 1980s +
- Global consumption of fish has doubled in period 1973-2003
- FAO predicts that aquaculture will provide most of seafood to meet growing per capita consumption in years ahead
- How can aquaculture benefit from this perspective while growing sustainably?

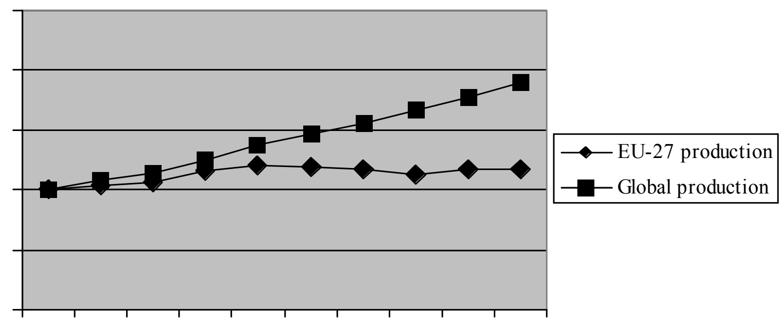
Introduction continued….

- Aquaculture constitutes c17% of volume and 27% of value of EU fishery production
- The main producing countries are Spain, France, Italy, the UK and Greece
- Challenges of decreasing prices due to high global competition, limited availability of space in coastal areas and complex environmental legislation

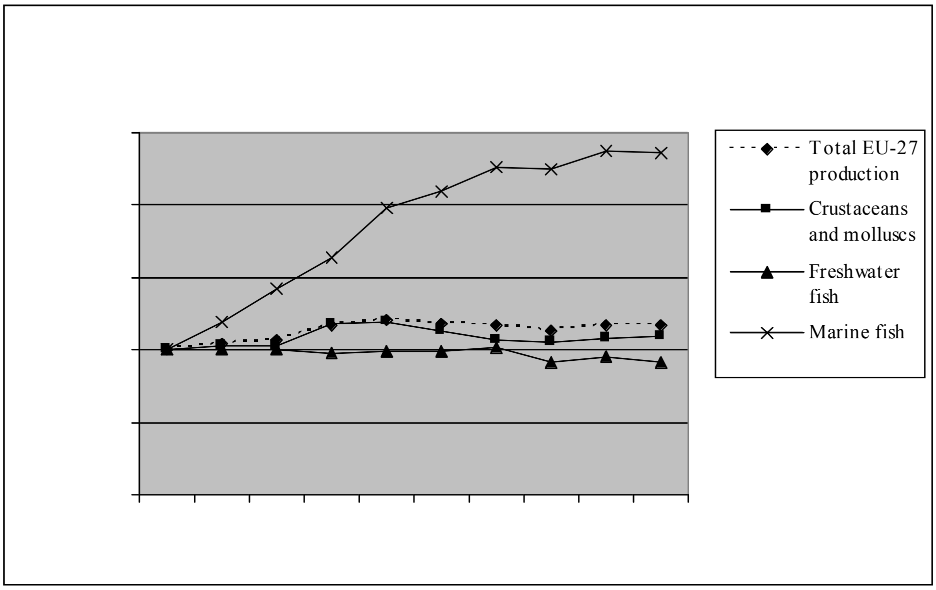
Introduction- EU Policy for Aquaculture

- Fishing is an exclusive Community competence but competence for aquaculture is shared with the 27 Member States
- Commission Communication of 2002 - A strategy for the sustainable development of European aquaculture (COM)2002 511 - Policy statement
- While most of the contents remain valid a review is to get underway in 2007 to see if the EU can be more proactive in providing a better framework for aquaculture development
- Global growth of 9% for 1995-2004 not reflected in EU-27; 3%+ to 1999 but stagnating 2000+

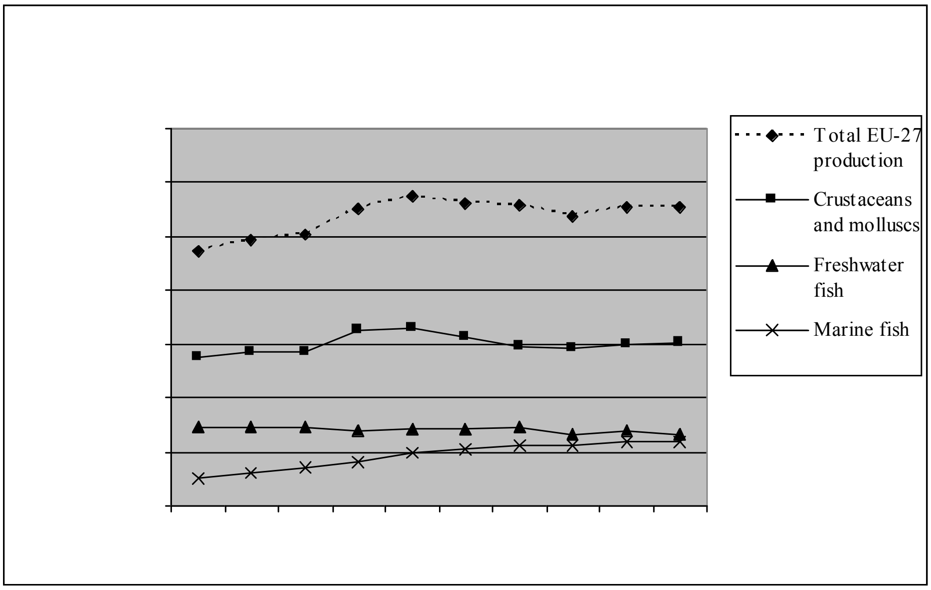
Slow growth of EU Aquaculture



EU Aquaculture Production



EU Aquaculture Production (MT)



2. Aquaculture governance and policy in the EU

- **Environment policy** - sustainable development - preservation of water quality - new Council Regulation on use of **alien species**
- **Health and welfare policy** - new hygiene Regulations of 2004 in force since 2006 and replace previous Directives + new Animal Health Directive adopted in 2006 to apply mid 2008 + Welfare in tandem with Council of Europe
- **Food Quality policy** - new Regulation on **organic farming** due for agreement in Council by mid 2007 - includes aquaculture. To apply 2009

EU Policy ctd.

- **Structural policy** - providing support to sustainability 2007-2013 via the European Fisheries Fund Regulation (R. 1198/2006) - aid for diversification to new species and for aqua-environmental measures
- **Trade policy** - trend towards liberalisation of trade in fishery products - tariffs are main tool in multilateral and bilateral trade agreements + autonomous measures - ‘tariff quotas’- WTO
- **Common organisation of the market** - Producer Organisations with certain exemptions from competition rules + rules on trade with non-EU

EU Policy ctd…

- **Research policy** - 7th framework programme launched earlier this year
- EU is a leader in aquaculture technology with long history of public and private research
- Initiatives for the future: CONSENSUS guidelines for sustainable production; SEAFOODPLUS on food safety; EATP - technology platform to meet challenges
- **Maritime policy** - under development following Green Paper issued 2006 - proposes spatial planning for maritime activities

3. Case studies - Salmon and seabream/seabass

- Salmon farming as an example of globalisation over 30 years
- Norway remains the dominant world player - 597 000 tonnes in 2006 (as an EEA member is part of the ‘single market’ but not part of EU) - history of safeguard measures and anti-dumping (WTO)
- EU production in the UK (Scotland) 128 000 tonnes and Ireland 15 000 tonnes in 2006.
- Outside of Europe, Chile c371,000 tonnes in 2006, Canada, Australia and US also producers

Salmon - concentration of ownership + issues

- Top five companies producing c38% of Norwegian production
- Top four companies, two of which feature in Norwegian list, responsible for 66% of UK production
- Several European companies are significant producers in Chile and Canada
- Production has tended to surge ahead of market demand periodically
- Important environmental bottlenecks - sealice issue +escapes
- Costs re regulations tend to be higher in EU

Seabass and Seabream

- A success story for EU - industry centered in Greece - in 90s production grew 70%/yr to 57,250 tonnes by 1999
- Production of both species 181,200 tonnes by 2002 - 57% in Greece
- Turmoil on market 2001-2002 - prices collapse - some enterprises bankrupt
- Subsequent consolidation - growth in production 2005 - prices stable

Seabass and seabream start to go global

- Business consolidation - top 20 firms in Greece responsible for almost 80% of assets and turnover
- Some 70% of world production seabass and 65% of seabream in Greece, Cyprus and Turkey - Eastern Mediterranean
- Greek companies diversify and commence operations or develop business links in other countries (one company involved in Abu Dhabi, Tanzania, Turkey and Spain, a second in Singapore, Kuwait, Turkey, UK (Wales) and Saudia Arabia

4. Value chain issues and image of aquaculture

- At the supply end of the EU value chain some 68% of catches go for human consumption and 32% for manufacture into fish feed
- At the trade and distribution end of seafood chain 74% is sold by retailers and 26% by the food service sector
- Aquaculture is the fastest growing food sector in the world but has an image problem:
- - Fish feed supply; use of medicines; contaminants; fish welfare; escapees; impact on ecosystems and water pollution ++
- Need for sustainability label (public bodies) linked to need for sustainable growth?

5. The Way Forward

- Need for closer cooperation between all global actors in the aquaculture sector to make it a win-win branch of the food industry - look back at poultry and beef market experiences
- Need for global effort to tackle the image problem - communication + technological innovation to surmount problems
- Need for a better understanding of consumer demand - consumers want seafood that it safe and wholesome - cannot compromise food safety
- Need to better distribute benefits at every step of the chain from farmer to retailer