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Letter by e-mail attachment to:

COMMISSIONER Virginijus Sinkevičius (cab-sinkevicius-contact@ec.europa.eu)

CC:

DG MARE - Ms. Charlina Vitcheva (Charlina.Vitcheva@ec.europa.eu)

EAPO22-31 / EP(22)10

Oostende, 10 March 2022

Dear Commissioner

Subject: Urgent measures to alleviate the sharp increase of energy costs caused by the Russo-Ukrainian conflict

For months the sector has been facing a difficult economic situation enduring a steep increase in gas and electricity prices, raw materials, taxes, logistic costs and inflation. The impact on commodity prices triggered by the Russo-Ukrainian conflict on top of a post-pandemic market recovery is a substantial problem for the production of seafood by the industry represented by EAPO and Europepêche. Fishing vessels in all the Member States represented by our organisations are tying up as a consequence of this. Specifically, the fuel price has just reached a new all-time high, exceeding €1/litre in many EU countries. This has led to a situation in which for many vessels it is impossible to go to sea and achieve a revenue that is higher than the costs of the fishery operations. First sale fish prices are not covering the increased production costs and most market processes in our sector do not enable a quick adaptation of the revenue.

We are aware that Member State authorities realise that the supply to and employment in the entire seafood sector chain is endangered and this leads to the conviction that aid to

achieve a viable production is a requirement. However, the possibility to intervene is frequently hampered by EU Regulations. Experiences with the consequences of Brexit and the Covid Pandemic have led to an inclusion of aid possibilities for emergency situations in the EMFAF. The consequences of a conflict such as in Ukraine should equally be subject to emergency aid when, like now, it is demonstrated that without it an important supply chain of food products is affected. In the current circumstances, even without approved Member States Operational Programs, funds should be available to avoid the decline of the EU fisheries fleet and food security risks. Similarly, it would be important to increase aid ceilings per company under the *de minimis* framework (e.g. 300.000€ per vessel).

In addition, many of the EAPO and Européche members have been affected by the consequences of Brexit and we highly appreciated the creation of the Brexit Adjustment Reserve. However, the BAR funding appears not to be in a final state of activation yet and the possibilities for the fish producers are limited in comparison with other affected sectors. In the current circumstances a more expeditious implementation of this support would even be more helpful for the Brexit affected part of the EU Fleet.

In 2015 following the Russian annexation of Crimea the global markets for a number of important EU fish stocks was heavily disrupted. The EU-Commission and Member States rapidly reacted to the plummeted market for fish by increasing the year-to-year quota flexibility from 10% to 25% following scientific approval (Basic Regulation, Article 15, 9). The rapid reaction then was key in stabilizing markets and in protecting the economy of the sector both on land and at sea. EAPO and Européche members request that the Commission in the current crisis immediately initiate similar provisions to secure that unused quotas from 2022 (25% of initial quotas) can be transferred to 2023 for sustainable exploitation, in what we hope is a more peaceful and stable market.

The sector also requests the Commission to encourage Member States to adopt additional measures such as reduction in social security contributions, suspension of fish auction taxes, an extension period for COVID loans or a suspension/reduction of VAT on fish and shellfish aimed at alleviating the situation.

As a conclusion, EAPO and Européche are seeking your support to address the difficulties for the fisheries sector at hand and to avoid a decline of the EU fleet and food supply. Whilst remaining committed to continue the search for possibilities to reduce the fuel consumption and energy requirements for operating sustainably, at this point in time direct aid to maintain an operational EU fishery is a must. We nevertheless remind you that any transition to new propulsion technologies clashes with current capacity limitations for fishing vessels set in the CFP, and new alternative formulas for measuring fishing capacity are equally needed.

Whilst remaining at your and your team's disposal to elaborate and assist to reach our common goals, we look forward to your expeditious reply and urgent action.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'ES Sverdrup-Jensen'.

Esben Sverdrup-Jensen
President EAPO

A handwritten signature in black ink, appearing to read 'Javier Garat'.

Javier Garat
President Europêche