Covid-19 & ERU Transition

The Welsh Fisherman’s Association-Cymdeithas Pysgotwyr Cymru Cyf (WFA-CPC) thank the Climate Change, Environment & Rural Affairs Committee (CCERA) for their interest and kind invitation to provide evidence with respect to the ongoing impacts of the Covid-19 pandemic on fishing and seafood businesses, together with Wales’ preparedness for the end of Transition.

i) The ongoing problems faced by the sector as a result of the pandemic and the effect of the WG’s response to it:

Further to our evidence submission last September, sadly the predicted winter hardships are likely to be accelerated due to international, national and localised Covid-19 restrictions. We have already been made aware of orders placed for half term being cancelled due to media reports of potential restrictions and the introduction of a ‘firebreak’ in Wales. We were informed that some buyers of seafood products were unable to settle accounts due to the inevitable financial downturn in the hospitality sector, which given the further implications to hospitality and other food services resulting from an English lock-down until the 2nd December increases concerns of potential bad debt particularly as some businesses may not be in a position to withstand or indeed continue beyond a second or possibly a third tranche of nationwide restrictions.

The stark reality is, without an ongoing assessment of impacts across the seafood supply chain and interventions where necessary we fear that businesses integral to a flourishing coastal economy, tourism, food services and hospitality, aquaculture, processing, retail ancillary services and supplies will be lost and difficult if not impossible to replace in the short to medium term resulting in further social / societal challenges for already fragile coastal communities as noted in our previous evidence submission. The Fisheries Consequentials received by the Welsh Government to date may provide the critical financial resource to ensure the livelihoods of fishing, aquaculture and seafood businesses survive the exceptionally difficult and uncertain times ahead.
Preparations in Wales for Leaving the EU the implications this has on your sector and any concerns you may have:

The WFA-CPC is a third sector, not for profit, organisation, we are not a marketing body or active within the seafood market place, however, our members and the wider Welsh fishing industry are almost entirely reliant on exports 90% of landings in Wales are shellfish of which 90% is exported to the Asian and EU markets.

In terms of the preparedness of the Welsh fishing fleet to meet the exporting requirements for live, fresh chilled and frozen Seafoods at the end of transition, I can only comment from the perspective of the catching sector, that said, notwithstanding any additional pressures or concerns relating to potential Covid-19 impacts/implications, as far as I am aware, at the time of writing, the only preparation that individual fishing businesses need is to ensure that their vessel is registered as a ‘food business’ with their respective local authority environmental health office as the Registration Number will be required for the issuing authority to provide an Export Health Certificate.

To the best of my knowledge the majority, if not all, of the Welsh fishing fleet are not required to make any other preparations unless they land fish or shellfish directly into an EU port or they export directly to EU markets or a receiving agent.

To this end, the majority of preparation and guidance should, in our view, be actively targeted at the relatively small number of Welsh seafood exporting businesses to ensure readiness for the conditions that would be applied in the event of no Free Trade Agreement (FTA) between the UK and EU. By doing so and preparing exporters for the worst case scenario Welsh Government would ensure that all other possible outcomes are met. Unlike the no-deal preparations undertaken in 2019, the WFA-CPC have not been involved in, or sighted on, any Welsh Government work streams to prepare exporters of Welsh seafood products for the end of transition. For this reason we remain concerned there may be an assumption that information links to ‘end of transition’ preparedness for businesses are an adequate means by which to inform exporters/businesses as to how they should prepare. In our opinion, direct engagement is necessary to ensure that all exporters of live shellfish are fully conversant with potential no FTA requirements before consignments are dispatched at the risk and cost of compliance technicalities and/or rejection.

I hope that our concerns are unfounded and that such work is already underway however, given the critical nature of exporters within the seafood supply chain for primary producers we must continue to clearly flag this issue as a key concern until confirmed otherwise.

For all the reasons eluded to, communications at this time of the Covid emergency and the end of transition are critical to ensure clear, concise guidance and advice are provided to stakeholders, to date the majority of this type of information has been provided by; Seafish UK, Defra, MMO, HMRC, FSA and Gov.UK.

To a certain extent we understand that it would be wasteful to replicate guidance, however, information links, contact details for lead officials and the Welsh language provisions should also be available to those in need of assistance in Wales. At present there is no EU exit advice listed on the Gov.Wales Marine & Fisheries Website and no obvious clear route to direct advice or guidance for seafood exporters via the EU Transition Portal.

Communications are clearly an area where the Marine & Fisheries Division has to improve if we are to ensure that the seafood supply chain and particularly exporters are fully prepared to meet the trading requirements at the end of transition.

It is also true that whether the UK exits transition with or without an agreement the costs of getting seafood products to EU markets will increase. EHC’s Inspections, delays and
unoptimised routes to customers in the EU due to the necessity for fish and shellfish to pass through Border Control Posts increasing the risks of exporting highly perishable consignments of live shellfish.

There is also a significant body of work required to build on the written statement by Lesley Griffiths MS, Minister for EE&RA dated 15th September 2020 ‘A response to the Brexit and our Seas Consultation and the next steps towards a Future Fisheries Policy in Wales’ and the commitment to delivering increased fishing opportunities for Welsh fishermen, maximising the social and economic benefits to coastal communities.

The WFA-CPC looks forward to working with the Minister and Marine & Fisheries Officials to develop a Future Fisheries Policy that delivers social, environmental and economic sustainability for current and future generations.

**Covid-19 and Post Transition:**
As we remain within the grip of the Covid pandemic we must also consider and prepare for the possible implications of Covid restrictions and the added level of pressures and uncertainties that could be applied to the processes, checks and inspections at each point of dispatch and border control posts.

Whilst the UK may be able to assess and manage such risks there are significant concerns regarding the potential for Covid measures and the availability of skilled staff to ensure trade routes remain fluid and compliant whilst maintaining the appropriate public health guidance and regulation.

**WFA-CPC**
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