



HOUSE OF LORDS

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Energy and Environment Sub-Committee
Inquiry on
BREXIT: FISHERIES

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10.30 am

Witnesses: Sigurgeir Thorgeirsson, Vidar Landmark and Geir Ervik

George Eustice MP

Members present

Lord Teverson (Chairman)
 Lord Curry of Kirkharle
 Viscount Hanworth
 Lord Krebs
 Lord Rooker
 Lord Selkirk of Douglas
 Baroness Sheehan
 Lord Trees
 Baroness Wilcox

Examination of Witnesses

Sigurgeir Thorgeirsson, Senior Adviser, Icelandic Ministry of Fisheries and Agriculture, **Vidar Landmark**, Director General for Fisheries and Aquaculture, Norwegian Ministry of Trade, Industry and Fisheries, and **Geir Ervik**, Senior Adviser, Norwegian Ministry of Trade, Industry and Fisheries

The Chairman: Colleagues, gentlemen, perhaps I could start this public session of the Sub-Committee. This is the second day of taking evidence on our fisheries and Britain's withdrawal from the European Union, and I am very pleased to welcome our representatives from Iceland and Norway. Perhaps I can mention a couple of formal matters first and remind the Committee and our witnesses that this session will be transcribed, so you will get a copy of the transcript and be able to amend anything that you feel is in error. We are also being webcast, so the session is fully on the record. I must also ask members of the Committee to declare any interests they have. I will make it clear that I am a board member of the Marine Management Organisation, which is an interest I have in this area. Could I ask you to briefly introduce yourselves for the Committee and for those who are listening to the webcast and then we will move into questions after that?

Geir Ervik: My name is Geir Ervik. I work in the Ministry of Trade, Industry and Fisheries in Norway in the Department of Fisheries and Aquaculture. I work in the section for fisheries management. My main portfolio is domestic regulation of fisheries and negotiations—bilateral, Norway and EU—in managing the common stocks in the North Sea.

Vidar Landmark: Good morning, everybody. My name is Vidar Landmark. I am the Director General in the Ministry of Trade, Industry and Fisheries and Head of the Department of Fisheries and Aquaculture.

Sigurgeir Thorgeirsson: My name is Sigurgeir Thorgeirsson. I used to be the Permanent Secretary in the Ministry of Fisheries and Agriculture in Iceland and I now serve as the senior adviser to the Minister on fisheries matters in the Ministry of Industries and Innovation, as it is called today.

Q22 The Chairman: First, perhaps we can start at a general level. This is a very important session because you have, as nations outside the European Union, very close relationships, particularly in fisheries, with the European Union, so are our potential, dare I say, models or indicators of how Britain might have to interact on the sorts of issues that come up, so that is what we are trying to find out today. Your respective fisheries policies are seen by many as flexible and successful in promoting sustainable stocks. Could you shortly introduce how you approach fisheries management, the objectives of your fisheries policy and the key features of that policy? That is not meant to be an hour each, which I realise is quite a challenge, but perhaps you could take us through the main points and then we will get into more detail.

Vidar Landmark: I can start from the Norwegian side. Let me say first that I am very pleased to be given this opportunity to address your Committee on this important subject of responsible fisheries and Norway's fisheries co-operation with the EU. As you know, Norway is integrated in the European market with the agreement on the European Economic Area, which covers most sectors of society, but not fisheries management and trade in fisheries products, so we have a rather unique experience of both being inside and having the EU as a negotiation counterpart when it comes to fisheries management. We have seen Brussels from both sides, which has been very interesting.

To keep it short—as you said, Lord Chairman, I could speak for hours on this subject—our approach to fisheries is, first, to take scientific advice. Norwegian resource management is based upon the principles of long-term sustainable harvesting and on the use of the best scientific advice available, taking into account the principles of the precautionary approach. We get our scientific advice from the system around ICES, the International Council for the Exploration of the Seas, to make sure that the advice is objective—not only from scientists employed by the Norwegian Government but from other scientists, which is a very important factor to build a system of trust around the scientific advice. So scientific advice is the first cornerstone.

We place great emphasis on control, enforcement and strict regulations. Resource control is another cornerstone of our system; we need to secure information on catches of fish within the jurisdiction of the Norwegian waters, and we have a Directorate of Fisheries, which is a subsidiary under the ministry and which is responsible for resource control. They execute

quayside inspections, sales inspections, post-landing audits, satellite surveillance, electronic reporting and quota control.

Then we have implied measures such as the closing of access to fishing, licensing and individual vessel quotas in order to prevent overfishing and the depletion of resources and, not least, to secure the economic profitability in the industry and thus secure one of the three elements of sustainability. We tend to talk about sustainability when we are really talking only about biological sustainability, but there is also the part to do with the economic sustainability.

Another important element in our management system is the Norwegian coastguard. The coastguard is responsible for exercising resource control at sea and we place great emphasis on that matter—controlling not only what happens after the vessel has landed but also controlling activity at sea. That is, in our view, a very important element of the overall and total control of the industry. This is a huge task considering the size of Norwegian waters compared to a rather small country. We have waters that are more or less seven times the area we have in land territory—waters more or less the same size as the Mediterranean Sea are under Norwegian jurisdiction.

The aim of these different measures is to ensure that the various fisheries in Norway are conducted according to the regulations and within the total allowable catch for each stock. The objective of this policy is to secure biological sustainability and economic, sound fisheries to make sure that our resources are utilised to the benefit of our coastal communities. The key features are to set quotas according to scientific advice and according to long-term management plans in securing both the profitability and the biological sustainability through control participation and strict control of the activity itself. Thank you.

The Chairman: Before we move on to the Icelandic experience, can I clarify something? In the UK—we had an example of this last week—we have a very different Scottish fleet which tends to consist of much larger vessels, and pelagic, whereas in England we have a very mixed fishery and the majority of the vessels are quite small. Could you tell us what that sort of mix is in the Norwegian fleet? Is it all large vessels or are there a lot of artisan fisheries as well?

Vidar Landmark: A very quick count in my head would say that we have something like 150-plus oceangoing vessels, which would be vessels of, say, 50 metres to 60 metres and above. In our register of vessels, we have something like 7,500 or 7,600 vessels altogether, so the rest of these will be smaller, coastal vessels.

The Chairman: That puts it in context, thank you. Mr Thorgeirsson?

Sigurgeir Thorgeirsson: Like my Norwegian colleague, I thank you for this invitation. There are several similarities in our policies, so there will be a bit of repetition. First, I would like to say that fisheries is one of the most important pillars in Iceland's economy at close to 10% of GDP and creating over 20% of foreign currency earnings—so it is a vital sector in our economy and fundamental in maintaining livelihoods in towns and villages throughout the country. It is very important to our rural policy as well.

The main objectives of the fisheries policy are to secure sustainable management of the fish stocks and to utilise the marine resources in such a way as to maximise the economic and social benefits to the nation as a whole. In short, the management is based on scientific advice and an ITQ system—individual transferable quota system. The quota system was developed and initially based on three years' catch history after unsuccessful experiences of effort controls of different kinds for some years in the late 1970s and early 1980s. The TAC for each stock in quota, which is about 97% of all fish caught by Icelandic vessels, is decided annually by the Minister of Fisheries following the advice of the Icelandic Marine Research Institute, which has been reviewed, scrutinised and verified by ICES, as my Norwegian colleague described earlier. The Minister is not bound by this advice, but it has always been followed with only minor deviations and, over the last four years at least, the Minister has followed the scientific advice 100% for all stocks. I hope that will remain the case, although they are tempted sometimes not to.

Important in this respect is the development of long-term strategies for utilisation and the setting of catch rules that undergo scrutiny and are verified by ICES as well. Such rules are now in place for cod, haddock, redfish, saithe and capelin and they are being developed for more species. These catch rules are very important in that it takes courage for the Minister to deviate from the catch rules; they are taken seriously by ICES and we get bad publicity if the Minister does not follow the rules, although he is not strictly bound by them. The total allowable catch in each stock is divided between vessels according to their quota shares, and 5.3% of each stock is kept aside by the state for vessels to meet local difficulties that may arise and for small-scale coastal fisheries. The quotas and quota shares are freely tradeable, which is a key factor in the system.

One other thing is that it is compulsory to bring to shore all fish caught: that is to say, discarding is strictly prohibited and there are flexibilities in the system to reduce incentives for discarding. Research has shown that discarding of undersized fish is only minimal. We cannot test so easily the discarding of unwanted species or species that vessels do not have quotas for, but the general feeling is that it is not a major problem.

Surveillance and enforcement are of course a very important component of the system and, in that instance, very much the same applies as what was described by Mr Landmark. We have a directorate of fisheries and the coastguard plays a vital role in controlling the activities at sea. All landings are recorded daily into a database of the Directorate of Fisheries that is freely accessible on the internet—thus anyone can at any time look up the quota status of every single vessel and all landings. This is considered important in creating what might be called “intra-sector policing”: that is to say, the fishermen keep an eye on each other. This system is not without failure, but in the main we consider it to have been successful in preserving the stocks and creating a very economically efficient sector. Thank you.

The Chairman: That is a very good start; thank you. Perhaps I could pass over to Lord Curry.

Q23 Lord Curry of Kirkharle: Good morning. I would like to explore what flexibility you have been able to negotiate with the European Union with regard to the Common Fisheries Policy. How do your own domestic fisheries policies differ from the Common Fisheries Policy?

Vidar Landmark: The main difference has been, and still is, that we focus on how much fish is actually caught. When it comes to mesh sizes and areas closing and so on, our technical regulations are, to a very large degree, aimed at avoiding catching unwanted fish. Like Iceland, we have had a discard ban for years and we have focused very much, as I say, on helping the fishermen to avoid catching the unwanted fish as, when you have caught a fish and you cannot utilise it, it is very tempting to discard it, so the main focus is to avoid that happening. The EU policy up to now has been focused on what quantity the vessel is bringing to shore and adjusting the catches according to the quotas for landings; that has up to now been the main difference. This seems like one element, but actually this influences quite a lot of other elements in the total regulatory system. It influences very much the possibilities of sustainable stock management to try to have control over what is actually caught—the fishing mortality as it happens out at sea.

Lord Curry of Kirkharle: Can I just ask a supplementary? Are you able to determine your own net sizes?

Vidar Landmark: Yes, in our own waters, we determine our own mesh sizes. We have worked with the EU, as we have management over the North Sea stocks together with the EU, very much to try to have harmonised technical regulations because it will be much easier both for our industry and the EU industry if they are allowed to use the same gear and adhere to the same regulations in the whole of the North Sea basin. That would be a very good situation for the industry. That has not always been possible, so we have had, to a large degree, national

regulations that apply in our waters both to Norwegian and foreign vessels when they are fishing in our waters. So the main element here is that a discard ban is not enough in itself and the regulations have to be built up under a discard ban. The big task that lies ahead for the Common Fisheries Policy is to try to develop that situation, and that philosophy must be recognisable throughout the system. I would say that that is the main difference between the Norwegian and EU management philosophies. It is very positive that reform of the CFP introduced a landing obligation and we certainly have every intention of working together with Brussels and other jurisdictions to implement this.

Sigurgeir Thorgeirsson: Looking at the total difference between the CFP and our policy, first, there is a difference between Iceland and Norway in that more than 70% of the fish we catch are local stocks and there are not many that we share with others—but we will come to that later in the session. I would say that the official objectives of both policies are very similar: that is to say, aiming for environmental, economic and social sustainability. However, there are huge differences in circumstances, legislation and methodology.

First, our fisheries, as I said earlier, are a major provider to the Icelandic economy, whereas in the EU as a whole fisheries are a minor sector—less than 1% of GDP and subsidised. I realise of course, however, that fisheries are extremely important for certain towns and areas, particularly some places in this country of course. This obviously affects the way the sectors are approached. In Iceland, there is a much greater emphasis on efficiency and profitability, and partly at the cost of social aspects, I must admit, whereas rural and structural considerations seem to weigh more in the CFP. Iceland, and Iceland alone, has full control over the 200-mile EEZ, which is an obvious advantage when it comes to managing the local resources; we need no compromise on that. Like my Norwegian colleague said, we can set our own rules for nets, et cetera. While in both instances the total allowable catches are based on scientific advice, the outcome in the European Union often deviates considerably from the advice as a result of a compromise between states. In Iceland, one Minister takes this decision and, as I said before, follows the advice—and hopefully will continue to do so.

Like Vidar said earlier, in the European Union limitations on fleet capacity and time spent at sea—that is to say fishing effort controls—have been important but ineffective measures in fisheries management, whereas in Iceland the catch limitations are almost exclusively based on catch quotas, and this system has automatically resulted in a great reduction of the fishing fleet. That is to say, it is the amount of fish that fishermen are allowed to catch that controls the development of the size of the fleet. We have no concern over the size or number of the

boats; we leave it up to the industry to decide how they can catch the fish most efficiently and economically.

The decision-making process in Iceland is much simpler and closer to the actions of the industry than in the EU: thus catch quotas can be revised and changed within the fishing season if new scientific research supports such a change. This is often the case with capelin fisheries, but that fish is often difficult to evaluate. If juvenile fish are detected in the catches, the Marine Research Institute and the coastguard have the power to close fishing areas with immediate effect for 14 days for their protection: all they need to do is put an advertisement on the radio. Skippers are obliged to listen to the radio at certain times of the day. They will start with it as a closed-off specified area for a couple or three days and, if the same area is closed three times in succession, the Minister of Fisheries steps in and closes off the area for a longer period with a regulation.

As I said earlier—and sorry about the terminology—ineffective management in the European Union has failed to stop overfishing, although some positive progress has been achieved in the last few years. Most of our local fish stocks are in good shape and we have managed to build up the very important cod stock which was overexploited for a long time. I do not think that I need say anything more about discarding as it should be gradually disappearing from the CFP system.

Finally, I should mention the marketing system, which is totally different in Iceland compared to the European Union. In the European Union, the producers' organisations can take produce off the market if prices fall below levels set by the Council of Ministers and get compensation from community funds. This is very much like the agricultural system as it used to be. In Iceland, there used to be a system for setting fish prices, but this was abolished a long time ago and the market is absolutely free for all fish products. About 97% of the fish are exported to some 80 countries, the United Kingdom being by far the most important single market—hence we are concerned about developments from now on. The bigger companies, with some 80% of all fish, are vertically integrated so that they control the whole value chain from catching through processing and selling to wholesalers or retailers in different countries. This, in conjunction with the quota system, is a key factor in securing the steady supply and thus maximising the value of the product.

Lord Curry of Kirkharle: Thank you.

The Chairman: Do you want to make a quick supplementary comment?

Vidar Landmark: Yes, I will very briefly follow up on what my colleague from Iceland said. He said that the Icelandic fishing fleet is economically a very efficient fishing fleet compared

especially to the EU which has a fishing industry which is, in some ways, still subsidised. In the Norwegian system, we do not have any subsidies, but we have restrictions on the development of our structural system (capacity adjustment system), which places us a bit between Iceland and the EU when it comes to the balancing of economic efficiency and social considerations.

One important difference between the EU system and the Norwegian system is that we have exemptions from the EEA agreement when it comes to the ownership of fishing vessels, so we still have the possibility of having a policy of national ownership of our fishing vessels. We have restrictions on the use of foreign crews as at least half the crew on a fishing vessel have to be living in a Norwegian coastal community—so that is also a very big difference from the EU system. For instance, Britain has had some difficulties establishing a real economic link between vessels and activity, so that has allowed us to keep our fishing vessels under Norwegian ownership through the exemptions to the EEA agreement.

The Chairman: That is most interesting.

Viscount Hanworth: Mr Thorgeirsson, you said that the total allowable catch has adhered closely in the last four years to the scientific advice with, seemingly, the implication that there had been departures previously. Can you expand on that?

Sigurgeir Thorgeirsson: I said that the Minister has followed the scientific advice all the time with only minor deviations, but there were bigger deviations earlier on.

Viscount Hanworth: When?

Sigurgeir Thorgeirsson: This system has been in place more or less since 1984, but deviating by more than 10% to 15% in some major stocks has never happened. The basis for the advice has been improving all the time, but in some of the less important stocks where people did not believe the scientific basis or where there had not been a lot of research into some of the stocks, maybe regulation deviated considerably from the advice.

Viscount Hanworth: We have the impression that after 1997 there was a substantial deviation. Is that correct or not?

Sigurgeir Thorgeirsson: It is a bit complicated. There have not been major deviations after 1997, I would say.

Viscount Hanworth: You would say that, would you?

Sigurgeir Thorgeirsson: Yes. However, in 2008, following the crash, it was decided to increase the quota of cod by 30,000 tonnes, which was about 20%—but two years earlier it had been cut down by more than 30% because we thought we were very rich at that time and said, “Now is the chance to go and follow the strictest catch rules that we can possibly

follow". So, even if it was increased for one year by 30,000 tonnes, it was considered to be well within the range of the advice.

The Chairman: I think we have that, thank you. Lord Selkirk.

Q24 Lord Selkirk of Douglas: I think you have answered, to a large extent, the questions I am about to ask, but, for the sake of clarity, can I go through them very quickly in case there is anything you want to add? Under the UN Convention on the Law of the Sea, coastal states are obliged to co-ordinate the sustainable management of straddling stocks. How do you approach this international obligation and, in particular, how do you determine the total allowable catches and quotas in your own EEZs with the EU and with non-EU coastal states?

The Chairman: You have given us the scientific advice, so we have done that bit.

Vidar Landmark: I will not talk about the scientific side of this now because our situation in Norway is that most of our important stocks are shared with other countries, which is quite a different situation from Iceland. We have bilateral agreements on the management of shared stocks with Russia in the north and with the EU in the south, and we have agreements, more or less, when it comes to the pelagic stocks in the north-east Atlantic between the different countries that are coastal states to those stocks. I am talking about, for instance, mackerel, Norwegian spring-spawning herring and blue whiting. For herring, there are five coastal states: the EU, the Faroe Islands, Iceland, Norway and Russia. So we have to agree on a total allowable catch among all the participants. The total allowable catch is set for most of the Norwegian stocks in negotiation with other countries and, for all the jointly managed North Sea stocks, in negotiation with the EU. The total allowable catch for Norwegian vessels will follow the agreed sharing of the total catch agreed between the parties. That is the practical, technical way this is done. We have one major stock that is a unilateral Norwegian stock.

Lord Selkirk of Douglas: What role do regional fisheries and marine organisations have in your approach to international obligations? How are potential disputes or disagreements over the total allowable catches and quotas resolved?

Vidar Landmark: In the north-east Atlantic and this north-east corner of the north-east Atlantic, most waters are under national jurisdiction. If you picture Norway on a map, there are neighbours all around us with only small pieces of international waters, so most of the stocks of interest to the Norwegian fishing fleet are stocks that are managed by these coastal states. The regional fisheries management organisation here, NEAFC, the North-East Atlantic Fisheries Commission, in reality has a rather limited role when it comes to stock management and only manages fishing in those two small international areas of the north-east Atlantic, the Norwegian Sea and the Barents Sea. The main thing here is the coastal state co-operation, but

we nevertheless place great emphasis on working through the RFMOs to develop co-operation, especially when it comes to harmonisation of technical regulation and control.

Lord Selkirk of Douglas: Thank you very much. May I say that I have greatly enjoyed visits to Iceland with my family? It is a very exciting place to visit.

The Chairman: Absolutely. Perhaps Mr Thorgeirsson would like to come in on this point?

Sigurgeir Thorgeirsson: I think my colleague has really covered this field and the same applies to us, except that there are only eight fish stocks that we share with others. Over 70% of the total catch is, like I said, from local stocks.

The Chairman: I have to ask one question here, particularly to our Norwegian friends. Does your fishing industry ever try to put pressure on the Government by saying, “Let’s have our EEZ all to ourselves. We have a fantastic volume of sea, we have rich fish stocks, so why don’t we just expand our fleet to take full benefit of our own EEZ and leave it at that”?

Vidar Landmark: No, they do not because some of the fish stocks we have in Norwegian waters could survive in Norwegian waters only, but other stocks are dependent on using other zones for parts of their life cycles. The coherence between the Norwegian zone and the Russian zone in the Barents Sea is very important, especially to the cod stock, which is our most important stock, and the herring stock, which is our second most important stock. The cod and herring need both the Norwegian zone and the Russian zone, so isolating us from our neighbours would jeopardise the situation for those stocks—and our industry also sees this.

The Chairman: Thank you.

Baroness Wilcox: Can I just add that it is nice to hear it explained so well? The fact of the matter is that you cannot tell the fish to stay where you want them to be. The pelagic fish are shoaling fish and, when they move, they can move faster than the boats, so it is quite interesting to hear your answer. Thank you very much for that.

Vidar Landmark: Sometimes we hope that they would not do.

Baroness Wilcox: Exactly.

Q25 Lord Krebs: You covered some of the points I wanted to raise about what types of fisheries agreements you have with the EU or with non-EU coastal states in answer to Lord Selkirk. You have described that you have quite a number of such agreements, but perhaps you could tell us a bit about how often those agreements are reviewed or renegotiated and unpack a little bit more what they cover? You have talked about the technical aspects of fisheries, but could you tell us a bit more about what the agreements cover on monitoring, enforcement and exchange of information?

Sigurgeir Thorgeirsson: We have only one bilateral agreement with the European Union, which goes back to what was done in conjunction with the EEA agreement in 1994. This involves the European Union being allowed to catch 3,000 tonnes of redfish in our waters and we get 30,000 tonnes of capelin which, in turn, the European Union buys from Greenland and is caught within our waters also. This agreement has been dormant now since 2009, but we consider that it will be looked at closely this autumn. It was not functioning and there were difficulties in access conditions that the European Union was not happy with, so we just agreed in 2009 to let it stay like this; neither of us is getting any benefit from it. It is going to be considered again.

We have some bilateral and trilateral agreements with the Faroe Islands, Greenland, Norway and Russia. Usually, these agreements involve some quota sharers specifying access conditions, as well as control and enforcement clauses. In some cases, there may be some clauses on co-operation and research, so usually the whole aspect of the fisheries, with research, sharing, control and enforcement, are involved in these agreements—but they differ one from another.

Vidar Landmark: For the Norwegian side, it is a little bit different. As I have already said, we have neighbours all around us and we share stock with them, so we have to have agreements on most of our stocks. With Russia and the EU, there is a framework agreement with Russia, from 1976 I think, and with the EU from 1980, which set up how the co-operation should be executed. The important negotiations are done yearly to set the total allowable catch and agree on mutual access to our zones: that is a regular process which takes place in October, November and December every year.

In addition, there is ongoing co-operation under these agreements where we try to work on—as I touched on earlier—harmonisation of technical regulations and reporting requirements and try to co-operate on control and enforcement. That will be an ongoing process. Between Norway and Russia, there is a set-up with technical committees and sub-committees of experts and enforcement authorities, so there is a whole institutional framework of Norwegian-Russian co-operation under the Fisheries Commission. We certainly will look at that and come back to that in negotiations between Norway and the UK on a new fisheries agreement. We will take the example from the set-up we have with the Norwegian-Russian Fisheries Commission to see if that is something that could be implemented in our bilateral co-operation.

The Norwegian-Russian Fisheries Commission has proved itself to be a better example for bilateral co-operation than the Norwegian-EU co-operation, which is very natural as it is

between two states. The Norwegian-EU co-operation is between Norway, one state, and an entity of I do not know how many interested fishing states with very varying interests in the total agreement between Norway and the EU—so that is why we will look at the example of the Norwegian-Russian Fisheries Commission when we come back to the UK later.

The Chairman: Lord Rooker, you want to follow up on that.

Lord Rooker: Without disclosing any particular examples, when you are doing these negotiations, does fishing ever get mixed up and traded with other negotiations which do not involve fishing, or is it the case that for both countries the fishing is so important that it overwhelms any other give or take on other issues?

Sigurgeir Thorgeirsson: For Iceland, fishing is the overwhelmingly important sector in that sense. However, we have had a very difficult time over the last few years concerning disagreement on mackerel and now also on blue whiting and the Norwegian spring-spawning herring. The coastal states have not been able to negotiate an agreement, so we have actually been exploring the idea of putting all the stocks on the table at the same time and not negotiating the stocks separately and possibly bringing in other interests such as market access. For us, it is the economic profit that matters and, if we get fewer tonnes caught, it does not matter if we get a better price for it; it is the money that matters. We will help in seeking improved access for certain products into the European Union and we are ready to trade, to some extent, on the fisheries agreement versus market access agreements. This has not been the customary way to negotiate on fisheries, as my Norwegian colleague can confirm, but this has been explored a little behind the scenes.

The Chairman: I would be very interested in Norway's comments on Lord Rooker's question.

Vidar Landmark: Norway has not participated in that exploration behind the scenes. We have a very firm stand that fisheries negotiations should be fisheries negotiations and not make any connections to other disputes between the involved countries. I can say in capital letters that, for us, that has not happened since the negotiations on the EEA agreement at the beginning of the 1990s. After that, the fisheries negotiations have been fisheries negotiations—no more, no less.

The Chairman: We will come on to market access later, but it does not get mixed up with it either?

Vidar Landmark: No.

The Chairman: Thank you. Baroness Wilcox.

Q26 Baroness Wilcox: I will declare my interests. I come from the pelagic processing area in inshore fleets and from experimental lobster hatching in Cornwall. I want to ask you about Skagerrak and Kattegat, which are very interesting at the moment. As you can see, we are about to launch off into all sorts of new ideas and nice things, and it is lovely to listen to both your countries being able to have the freedom to be careful with your stocks and not let other countries come in and be not quite so careful with those stocks. It is very interesting to hear how firm you both are on this, and we must take lessons from that. We note with interest that you have recently negotiated a new agreement regarding the reciprocal access for you, Denmark, Sweden, et cetera to fishing in Skagerrak and Kattegat. How does this agreement differ from your general fishing agreement with the European Union, and does the Skagerrak agreement allow more flexible management of the regional basin?

Vidar Landmark: The main element in the Skagerrak agreement is to preserve a very old fishing pattern which allows fishermen from Norway, Denmark and Sweden to fish outside four nautical miles of the baselines in each parties water instead of the usual 12 nautical miles from the baselines, which most countries now practise when they allow other vessels into their waters. That is the main element and there has been a strong wish from all three countries to have that possibility in the Skagerrak area. It is a traditional way of utilising the resources in that area. We are also trying to negotiate more flexible ways of border-crossing fisheries. If a UK vessel is fishing in the North Sea and wants to enter the Norwegian zone in the North Sea, there are strong requirements for reporting a certain amount of hours before, reporting the catch and so on. In the Skagerrak area, there is traditional fishing that goes on at the borderlines between especially Norway and Denmark, which has the most interest, but also with Sweden. We are negotiating and trying to find ways that make it possible for us to have the necessary control over activity in our zone at the same time as allowing that fishery to go on: trawl fishery, where you start in Danish waters and end up in Norwegian waters with the same haul, for instance. My colleague who has participated in the negotiations would say that it is difficult—but we are still trying.

Baroness Wilcox: It took quite a long time to establish this.

Geir Ervik: There were issues of control, but also of catch statistics and the registration of the catch in the zone, so we are trying to develop a system where we can see how much is caught in, for instance, Norwegian waters. We are using a vessel-monitoring system and an electronic reporting system developed by the Directorate of Fisheries to analyse the hauls which are cross-bordering and then we can better determine where the catches are caught,

which is a large improvement. I think we agree that we will have a system in place there in the near future.

The Chairman: Is this a bilateral agreement with Denmark and Sweden?

Geir Ervik: Formally, we negotiate with the EU because the Commission has the competence to negotiate with third countries, but it is the Commission that negotiates on behalf of Sweden and Denmark.

The Chairman: Thank you. Baroness Sheehan.

Q27 Baroness Sheehan: My question will inevitably cover some of the ground which has already been covered, but it would be good to get all the information in one place. The North Sea, in particular, is an area of interest to EU and non-EU countries alike. How do you approach the management of this area with the EU and with other non-EU coastal states? We have had a response about the Norwegian-Russian Fisheries Commission and how you undertake negotiations there, but one area I would like to concentrate on is how potential disputes over TACs and quotas, if and when they arise, are resolved?

Vidar Landmark: There are no special provisions for the resolution of disputes in the agreements between Norway and the EU, so we will just have to find a solution and agree. The dispute settlement mechanism is that, if we do not reach a bilateral agreement, for instance for 2017, our vessels will not get access to the EU zone and the EU vessels will not get access to the Norwegian zone. We will set unilaterally total allowable catches for our own waters of the stocks that should have been managed jointly. This is a situation that we really do not want to end up in. There is no formal dispute settlement mechanism, but there is a strong push for reaching agreement to allow our fishermen and businesses to work out at sea from January next year.

Baroness Sheehan: How close have you been to not reaching agreement with the EU?

Vidar Landmark: We have been in that situation. We were in that situation last in 2014 when we did not reach agreement with the EU in December 2012, which was due to the negotiations on mackerel. The Commission said that it would not enter into a bilateral agreement with Norway until the mackerel negotiations had found solutions, so we started 2013 without an agreement. We then set national quotas for the stocks that should have been bilaterally managed, so our vessels started fishing in our zone based on those quotas we had set nationally and no EU vessels were allowed into the Norwegian zone until later in the year—I think it was March—when we reached an agreement with the Commission.

Baroness Sheehan: Do you mean no EU vessels or just those EU vessels which were fishing for mackerel?

Vidar Landmark: No EU vessels.

The Chairman: Thank you. Viscount Hanworth.

Q28 Viscount Hanworth: What is your approach to establishing access rights for foreign and EU vessels to fish in your EEZs? Has there been a role for traditional historic rights in determining these agreements?

Vidar Landmark: Activity from before the EEZs were established was the starting point when the need for bilateral agreements came up in the late 1970s, when all countries around this area established 200-mile economic zones. Traditional activity was the starting point which showed what levels of catches and activity we should try to reach agreement on for our different zones—but that was only the starting point.

What we do today must be separated into two elements when it comes to the bilateral Norway-EU agreement. We have the shared stocks in the North Sea, where we try to let our fishermen fish where it is most profitable, whether or not that will be in the Norwegian zone or the EU zone—so it is an integrated part of the bilateral yearly agreement setting quotas and agreeing how much of the Norwegian quota can be fished in EU waters and how much of the EU quota can be fished in Norwegian waters. Here we are not taking particularly into consideration historical catches. Today, we are more concerned about a good fishing pattern. Should fishing go on in the Norwegian zone because there are feeding grounds and spawning grounds in other places where the fish should be left alone? If there are small fish in that area, both Norwegian and EU vessels should fish in Norwegian waters where the fish are bigger, for instance.

Quota exchange is a different situation. There is an important element of quota exchange between Norway and the EU where Norway traditionally offers the EU a certain quantity of cod in the Barents Sea and the EU offers Norway blue whiting in particular as payment for this. Now we are operating where the offer from Norway is based on a historic fishing pattern, but the EU has to pay for this quantity and does not get more than it is able to pay for. So the starting point is the historical fishing pattern, but the end point depends on the quota situation in the various fisheries. If the cod stock is low and our offer is for a low quantity and the blue whiting stock is in good shape, then the EU is able to pay for more.

The Chairman: Mr Thorgeirsson, did you wish to come in on that question?

Sigurgeir Thorgeirsson: I have very little to add, except to say that there are no fishing rights within our economic zone based on historic rights, although it is right, as my Norwegian colleague said, that the negotiations on fishing rights had certain historic references prior to

the extension of the economic zone. A number of such access allowances are made in agreements with other countries.

Lord Krebs: I just wanted to follow up your very helpful comments by making sure I am clear in my own mind that, when you have had this disagreement with the European Union, am I right in thinking that it is not about the scientific evidence or the size of the stocks but is more about the relative values of two different fish species—a kilo of cod versus a kilo of whiting and what the trade-off is? Is that the way to look at it?

Vidar Landmark: It is not a difference in estimating the value of the balance of the exchange. We have a fixed system negotiated many years ago on how much blue whiting you must pay for one kilo of cod.

Lord Krebs: Where does the disagreement lie, then?

Vidar Landmark: In the ability to pay. The cod stock today is in very good shape, so our offer to the EU for 2016 was 36,000 tonnes, but the EU did not have enough blue whiting to pay for that much cod—or the EU had enough, but there would not have been enough for Member States to fish. For 2016, I seem to remember that the EU cashed out something like 20,000 tonnes of the 36,000 tonnes offered.

Geir Ervik: In addition to blue whiting, we are fishing for ling and tusk in EU waters and we fish for stocks in Greenlandic waters, all of which goes into the exchange package. As we said, we have to be offered real fishing possibilities for Norwegian fishermen either in EU waters or Greenlandic waters for the full offer, and the EU has chosen since 2010 not to take the full offer because it has no fishing possibilities to offer us.

The Chairman: Thank you. We will now move on to the market and trade side. Lord Trees.

Q29 Lord Trees: As the Lord Chairman said, I want to ask about trade and the arrangements and agreements you have made with the EU in trading fish and fish products. It is quite complex, but could you tell us what agreements you have on direct access and how that might be different if you are landing in your own country and then exporting, or do you have agreements if you can land directly in EU countries? Perhaps we can consider as well fish products and what arrangements you have for them as well.

Sigurgeir Thorgerisson: First, I should take the opportunity of correcting something. I may have given the view that we mixed fisheries agreements and trade agreements altogether, which is absolutely not so. Fisheries agreements are fisheries agreements, but we might lubricate fisheries agreement solutions with access conditions, if possible—but they are never a major component in fisheries agreements.

Trade in fish and other marine products between Iceland and the European Union is governed by two agreements: the agreement on the European Economic Area and the Free Trade agreement between Iceland and the European Economic Community from 1972, so these two agreements are applicable. The rules applicable to trade in fish are set out in Protocol 9 to the EEA agreement which provides for the elimination of tariffs on some of Iceland's key export interests, including cod and haddock. It also provides for the reduction of tariffs on a number of products, but excludes some, including products of interest to Iceland such as herring. The Free Trade agreement from 1972 is still applicable, but Protocol 9 of the EEA provides better market access for most products. However, there are some exceptions and in these cases the market access provided by the 1972 agreement prevails. The 1972 agreement has been amended a few times in the last years to provide for better market access notably for herring, redfish and lobster.

Article 5 of Protocol 9 of the EEA agreement states: "The Contracting Parties shall take the necessary measures to ensure that all fishing vessels flying the flag of other Contracting Parties enjoy access equal to that of their own vessels to ports". To enjoy the preferential treatment provided for in either the EEA agreement or in the 1972 agreement, any export needs to fulfil the requirements and the rules of origin of either agreement. In general, fish caught by a vessel of one contracting party is considered to be originating in that contracting party. My understanding is that, if our ships land fish in Hull or Bremerhaven or wherever within the European Union, the tariffs and instruments are the same as if the product had been landed in Iceland and exported from there.

Lord Trees: That is helpful. I am not familiar with those articles. Is it tariff-free or does it vary with the species of fish?

Sigurgeir Thorgeirsson: It varies with the type of fish. There are certain fish that are absolutely tariff-free. There are a lot of 2% to 5% tariffs and there are still a few with 18% to 20% tariffs, including herring, whole mackerel and some others.

Vidar Landmark: It is more or less the same situation for Norway. Even though the EEA agreement does not cover trade in fish, Protocol 9 gives us free trade for close to all our white fish products: that is, products from cod, haddock and saithe. The sensitive products for the EU, which Sigurgeir touched upon, where we still have tariffs or quotas for import into the EU market, are salmon, herring, mackerel, shrimp, Norway lobster and scallops. The tariffs for these products range from 2% to 25% for Norway, so both the tariffs and the export quotas to the EU market on those products are still a serious obstacle to trade. When it comes to the landing of fish directly from vessels, there are no restrictions from the Norwegian side on the

possibility of our vessels landing in other countries. When landing in other countries, they have to adhere to all Norwegian reporting requirements and the requirement to sell the catch through one of our first-hand sales organisations, but this is not any kind of hindrance for landing in other state ports. When landing from a Norwegian vessel in an EU harbour, that is considered to be an import to the EU in the same way as transportation by other means, so it would have to adhere to all the same regulations both with tariffs and all the other customs arrangements. It is a complex matter when you start looking into the nomenclature of trade.

Lord Trees: Can I follow up with a specific question about salmon and aquaculture? I live in Scotland and that is the only interest I have—but, as you well know, it is a hugely important industry now in that part of the UK and is also an important industry in Norway. My understanding is that a lot of the salmon farms in Scotland are owned by Norwegian companies. In view of what you said about the restrictions you have vis-à-vis salmon, would Brexit have implications for that Norwegian investment in British salmon aquaculture?

Vidar Landmark: That is dependent on what kind of regulations the UK might come up with when it comes to the ownership of aquaculture activity. There are obviously no restrictions from the Norwegian side on the possibility of Norwegian companies establishing themselves in other countries, except in some special cases where there might be embargoes or something, but not on this matter.

Lord Trees: I can understand that. You may not wish to answer this, but are there currently advantages in you having companies in Britain producing salmon to export to the EU which would no longer pertain if the UK were not in the EU?

Vidar Landmark: I am in the happy position of being able to answer that that depends on what kind of agreement the UK gets.

The Chairman: We were hoping you might shed some light on that.

Vidar Landmark: If you are able to negotiate free access for salmon from the UK into the EU market, we will be very glad of that example.

Lord Trees: But you have not managed to do that.

Vidar Landmark: We have not managed to do that largely due to the Scottish producers.

Lord Trees: That is very interesting.

Vidar Landmark: It also gives me the opportunity to mention that we have very good co-operation with Marine Scotland on exchanging views and experiences on aquaculture management. I am going to Edinburgh on Friday next week for our yearly meeting on aquaculture issues where we exchange lessons learned and so on in our management, together with Canada and Chile.

The Chairman: That is very interesting to hear.

Lord Selkirk of Douglas: I understand that historically you have had a lot of association with Denmark. Does Denmark have any influence at all on this question of fisheries?

Sigurgeir Thorgeirsson: Are you talking about Iceland, Norway or both?

Lord Selkirk of Douglas: The fisheries policy of Iceland or Norway on Denmark.

Sigurgeir Thorgeirsson: No influence whatever since 1944.

Vidar Landmark: Not since 1814.

The Chairman: Believe it or not, some of our witnesses probably would have liked to have gone back even further than that on certain fishing rights. Lord Rooker, you have a question, a lot of which we might have covered.

Q30 Lord Rooker: Yes, we have covered a lot of it so I will phrase it in a different way. I have no interests, although 10 years ago I spent Christmas in Reykjavik which was a very pleasant experience. We heard some evidence in our previous sessions that, in the last 10 years, the Common Fisheries Policy has been a big success compared to the 20 preceding years. I am not asking you to comment on that, but what at the moment do you see as the present advantage for your fisheries management of not being in the Common Fisheries Policy?

Sigurgeir Thorgeirsson: I think we have partly covered that. First, we have full control over our economic area and we do not have to negotiate with other countries on the utilisation and management regulations, et cetera, within the zone. That is an advantage.

The Chairman: That is partly because you have your own continental shelf, do you not?

Sigurgeir Thorgeirsson: Yes. Obviously that would be somewhat different if there were so many stocks shared with others, but being able to control the local stocks and the regulations there matters and we have full legislative power of course over that. As a coastal state, Iceland negotiates on the management of straddling stocks and we have direct representation in regional fisheries management and in other international organisations concerning fisheries. Yes, it is true that the CFP has had improvements in success in the last few years, but I still think that the differences in policies I described earlier are to our benefit. We are freer to control our fisheries than we would be within the European Union and I believe that that has brought benefits to the country.

Vidar Landmark: I can agree with most of what my Icelandic friend just said. Norway, unlike Iceland, is in the position where we know what kind of agreement we were able to negotiate back in 1994, so we know what kind of conditions we would have to accept as a member of the Common Fisheries Policy, although you did not get that far in your negotiations. It should

be emphasised that not being part of the Common Fisheries Policy gives us the possibility of a far more dynamic approach to fisheries management and being a short way from realising a situation and deciding how to handle that situation, including what changes to make from January to February to March according to what is actually happening at sea, how the season is developing in our fisheries, which is more or less one telephone call from what is happening at sea, until a decision is made in our directorate to alter some kind of regulation or make an adjustment to quota distribution. Inside the Common Fisheries Policy, you are a very long way from experiencing that something needs to be amended until the decision is taken, in many cases, not in London and not in the Commission but in co-decision between the Council and the Parliament on some issues which, in our jurisdiction, would have been solved with a far lower level of administration.

Q31 The Chairman: Thank you. That is a very interesting example. We are at some point, as a nation, going to have to go into negotiations with the European Union on resolving our relationship with the CFP, and I wondered what advice you could give our negotiators? What would you tell them to look out for?

Sigurgeir Thorgeirsson: To be perfectly honest, I have considered this question and I am not in a position to be able to give you any good advice. Secondly, as we may have to negotiate with you, I am not sure it would be wise of me to do so.

The Chairman: Surely you can share your thoughts with us just for a moment.

Sigurgeir Thorgeirsson: For Iceland, the United Kingdom is by far the most important market for fisheries and fish products and will be a very important coastal state to the fish stocks that we share with others. I can only say that I hope for a very good relationship, that we maintain the market co-operation and market access and find a way to resolve our difficulties in the north-east Atlantic over the pelagic stocks and that Britain is strong in supporting that. That is the only advice I can give.

The Chairman: Thank you.

Vidar Landmark: I have a brief comment as I see we are running out of time. For us, Britain is also a very important market, our third or fourth biggest market overall, and it is our most important market for white fish, so we are also very eager to start negotiations with the UK on the conditions for market access when it comes to that.

On the obstacles, there is one element in the reformed Common Fisheries Policy that we have looked very much into and see as a very difficult development for the future, and that is the concept of regionalisation. I can see the use of this very important element for developing the fisheries policy inside the Union. What is now happening is that the UK and the other

countries around the North Sea area are negotiating between themselves on technical regulations and other management measures first and, after those countries have done that, the EU will come back into negotiations with third parties, having already more or less exempted, if that is the right English word, the possibilities of compromise in their own process.

When the UK is in a position to negotiate with the EU, you will face the same situation, that much of the room for compromise in the negotiations has already been taken by the regional processes inside the Union before the Union comes back to negotiate with you. This is not a question of a framework agreement, for instance, on fisheries management between the UK and the EU when the time comes necessarily, but it is a question that you will meet in the year afterwards in the bilateral yearly agreements, unless you reach agreement with the EU in the framework negotiations on how to have some kind of position in the regional discussions. We have been discussing this with the Commission since it started working on the concept of regionalisation, but have not been able to come into this process yet. That is a real obstacle to co-operation.

The Chairman: That is very helpful indeed. Lord Curry.

Lord Curry of Kirkharle: I am very interested, Mr Landmark, in your comment that you saw your agreement with Russia as a potential template to start and open negotiations with the United Kingdom, but my question is for Mr Thorgeirsson. Do you have a template in mind in Iceland as your starting point for your negotiations with the United Kingdom? Secondly, I was really interested in your comment that you were concerned about the current movement of fish stocks and the fact that you needed to take that movement into account in your current agreements. I think I am right in saying that, as a consequence of global warming, mackerel and other species have moved north into Icelandic waters. Has the predicted impact of climate change ever formed part of your thinking in your negotiations with other countries?

Sigurgeir Thorgeirsson: In the last few years at least, people are thinking along those lines, although our scientists do not necessarily attribute this movement of the stock to global warming. There have always been waves of hot or warmer periods and cooler periods and we have records of mackerel coming into our waters as early as the 19th century, but never probably to the same extent as in the last few years. We do not have a template, as you put it, on how to start the negotiations with the United Kingdom. We have been taking part in negotiations with the European Union, Norway and the Faroe Islands on the mackerel stock and we have not managed it yet, but, as you probably know, there is an agreement in place between the European Union, Norway and the Faroe Islands which we hope to become a part of because it is our sincere wish to reach a full agreement on all these stocks. The result of the

disagreement is that these stocks have been grossly overfished, according to scientific advice, although the mackerel stock still seems to be very strong, despite this massive overfishing. That comes down to the uncertainty of this science, but we have nothing better than the science to follow, so it is absolutely essential to reach agreements on these stocks. I would hope we have finished that before the United Kingdom comes out of the European Union and, if we have not, I trust that you will be supportive in completing those agreements when it comes to it.

The Chairman: A very quick comment, please, Director General.

Vidar Landmark: The Norwegian-Russian one could be some kind of template for the future between Norway and the UK. It is still to be considered whether or not the North Sea management will be bilateral Norway-UK and bilateral UK-EU or trilateral agreements, so that is one of the questions we are starting to look into.

The Chairman: On that point, perhaps I could bring this hearing to an end and thank our witnesses, Mr Ervik, the Director General and Mr Thorgeirsson. Thank you very much indeed for coming so far to give us evidence which we will find extremely valuable. Thank you very much indeed.

Examination of Witness

George Eustice MP, Minister of State for Agriculture, Fisheries and Food

Q32 The Chairman: Minister, can I welcome you to this sub-committee of the EU Committee? We are, as you know, looking at fisheries and the implications of our withdrawal from the European Union. This is the last of four sessions that we have had with panels of witnesses and we will be producing our report. The session is on the public record. We will be sending you a transcript and you and your officials can look at that to check whether we have properly transcribed that, and there is also a webcast here. Minister, perhaps you could briefly, for the public and those watching, explain your involvement in fisheries as Minister, and then we will move into the questions.

George Eustice: Yes. I am Minister of State in Defra with responsibilities for fisheries and have been now for just short of three years, so coming up to my fourth. This December will be my fourth December Council dealing with these issues.

The Chairman: Perhaps I can start off, but I must declare my own interest in that I am a board member of the Marine Management Organisation. Minister, what opportunities does Brexit hold for fisheries management and the fishing industry in the UK? What are your key objectives for fisheries management after Brexit? Perhaps we could open with that rather general question.

George Eustice: I was always clear in the campaign that there are certain things that we would not change, that we would want to keep the same, even outside the European Union. One is targeting MSY fishing sustainably. One is we will still need to have some sort of quota system because you do need to regulate activity in fisheries. Thirdly, there will always need to be a degree of international agreement and international negotiation particularly when it comes to shared stocks.

That said, I think there are some real opportunities in leaving the European Union. One is an opportunity to regain our own independent seat at the table at certain negotiations which are important to us. I am thinking particularly of the North East Atlantic Fisheries Commission where the annual negotiations on species like mackerel take place, which is very important to us but where we currently are represented by the EU. There is an opportunity as well to expedite changes in technical measures where we deem them necessary, so it will be easier to change technical regulations where the evidence has changed or moved on. Often it can be quite frustrating to get change at a European level because of the time it takes. The involvement of many different institutions including the European Parliament can lead to

quite slow progress to deliver quite simple changes. Finally, it is an opportunity as well, as I said before, to look properly at shares of allocations of TAC for certain species. Particularly in the channel and the west country, on some species, I think it is generally accepted that historically we have ended up with a disproportionately small share of a stock given that a great deal of it is caught in our waters.

The Chairman: Thank you very much for that. Obviously your responsibilities primarily are around the operation of fisheries, but there is the other side of the equation which is the seafood industry and its ability to import and export and we will come on to that later. Do you feel we have to find a balance in our negotiating stance somewhere? Is there a balance to be found, or is it a win-win or a lose-lose?

George Eustice: Obviously in the Brexit negotiations across government for all industries trade is an important thing to get right. It will not have escaped the attention of the Committee that the Government have not reached a final view yet about exactly what type of trading relationship we want with both Europe and the rest of the world; we are still doing the analysis on that. At one end of the spectrum there is the option of a free trade agreement perhaps closer to the EU-Canada free trade agreement, where you would have more freedom to open up trade deals independently around the world and where you might be able to open trade with the rest of the world more quickly than we are able to through the EU. However, at the other end of the spectrum, there are advantages as well through the single market, particularly when it comes to country of origin rules and some manufacturing sectors. At the moment we have not decided where on that spectrum we think the future lies. It is a very complicated area as you will understand. I think it is very important we do the analysis correctly and set out our stall in the correct place when we commence negotiations.

The Chairman: Thank you.

Q33 Lord Curry of Kirkharle: Minister, as you know, until the end of last year I chaired the Better Regulation Executive, so I am interested in the regulatory process of exiting the European Union and how we synchronise the fact we will not be subject to the Common Fisheries Policy and will need to replace that with our own domestic regulation. There is a risk that these things may not be synchronised and we might reach a stage where we are in a regulatory vacuum. I am interested in what the department is doing to ensure that does not happen because this will be a critical process, not just on this subject but on every other aspect of Brexit.

George Eustice: Yes, and again, the precise government position is not yet settled. I am sorry, I will probably repeat that quite a bit during the course of this session. To explain what the

options are, crucially what is absolutely clear is that we understand, when we leave the European Union and the exit formally takes place, we have to have in place our own national regulations on things like technical measures from day one. We cannot have, as you describe it, a vacuum or period of chaos when there is no regulation at all. That is not what we will do. There is a spectrum of options available. One would be to have, in the time we have, a fundamental look at the technical measures and look at where we would like to make changes, where we would like things to remain the same and try to roll forward the things we want to keep into a UK legal basis, and change the bits we want to change again on a UK basis. The alternative, at the other end of the spectrum, as someone said, is to nationalise the *acquis* in one bang and, over time, evolve that and refine it so it better suits our needs and deals with the challenges we have. There is a spectrum there of trying to be quite ambitious on the things we would like to change that we think it is sensible to change, or taking a more cautious approach that does not fetter our ability to deliver change in the future but gives the opportunity to think things through carefully and refine some of the technical regulations over time.

Lord Curry of Kirkharle: I suspect the fishing industry will be looking for some changes to take place and would not be happy if we just adopted EU regulation and then tried to introduce the changes later.

George Eustice: It depends. There are some fishermen who will want to retain some of the features they are familiar with, and there will be voices in the fishing industry arguing for the retention of a similar basis of allocation of quotas to what we have now, for instance. Equally, for some vessels, some sectors, particularly if you think of the under-10s, many of them feel frustrated that a lot of the regulation that affects them feels overly onerous and overly complex given the amount of fish they catch. I think it will differ sector to sector. The crucial thing for us is if, as I intend, we remain committed to sustainable fisheries, we cannot have a vacuum and there is the question of what we change and at what speed we change it.

Q34 Baroness Wilcox: Good morning. I am delighted you are still in post because it means that you will continue with the negotiations and go to them in good heart because we are still yet within the European Community so it is important to us. I am from the West Country—you will know well the West Country fishery and the lobster hatchery at Padstow. The question I am going to ask you cannot answer directly; I understand that and we all understand that these are areas which are difficult for you to give us good straight answers on, but perhaps you could at least give us a hint as to whether you think this is good. Do you think the current frameworks for co-operating on fisheries which are in place between

Norway and the European Union, Iceland and the European Union, or the Faroe Islands and the EU are suitable models for a future EU-UK relationship regarding fisheries?

George Eustice: One of the things we are doing is looking at all those models and looking at what works and does not work in each, and also looking at where those models are trying themselves to improve the efficacy with which they approach their task and whether we can learn lessons from that.

I will give you some examples. EU-Norway is a very straightforward bilateral agreement that has the simplicity of having two partners at the table, albeit with one of them representing many different interests. There are issues sometimes where it is difficult to get agreement,; there are issues where one party, Norway or the EU, hold out for an allocation or a share that the other party feels is not right and you can get a delay in an agreement. So in 2014, from memory, and I think similarly in 2012, the agreement was not concluded in early December, as is usually the case, before the December Council of the EU. In at least two years in the time I have been doing it, there has been a brinkmanship that has stretched, in one case, into February. One of the shortcomings of that is it is quite disruptive for the industry. So for parts of the UK fleet where access to Norwegian waters for cod is particularly important, when this sort of brinkmanship goes on, usually over overall allocations of cod of the TAC for cod, it can mean those access arrangements are suspended for a period of months until agreement is reached.

We have similar issues with the North East Atlantic Fisheries Commission, which predominantly deals with pelagic species through the coastal states meetings and has Iceland, Faroes, Norway and the EU as its parties. There is a similar issue there which is that for a number of years there was no agreement on mackerel at all, and everybody was unilaterally setting their own TACs because they could not agree an allocation.

One of the shortcomings sometimes of these looser types of agreements is that, unlike the EU where ultimately it comes down to a vote on QMV if all else fails, it is harder to sometimes reach agreement at all. To try to address that, one of the things that NEAFC, the North East Atlantic Fisheries Commission, is looking at is whether, in addition to having a straightforward negotiation where everybody has their own interests, they could establish some sort of principles and ground rules and broad formulae that would lead to a calculation of the allocation of TACs. We have quite established mechanisms, predominantly through ICES, the International Council for the Exploration of the Sea, for assessing fish stocks and whether they are at MSY or not, and that is quite an established body of evidence that most countries now follow. When it comes to who should have what allocation, it tends to be more

of a hagggle at the moment, and the things they are looking at, for instance, are where the spawning grounds are, where the nursery grounds are, whether the stock has migrated, what the trend is on that migration, and then have some kind of agreed formula to calculate the allocations, so you do not go into it as a straightforward haggling match every year—you go into it with some sort of ground rules.

Q35 Viscount Hanworth: To what extent do you believe the determination of the total allowable catches of the UK should be in concert with the European Union and various European countries after Brexit?

George Eustice: It is important to note as well, even after we leave the European Union, we will remain members of the UN and remain a member of other conventions, and under the UN Convention of the Law of the Sea there are quite clear provisions around the exclusive economic zone but also clear commitments to co-operate with other countries where there are shared fisheries to agree shared TACs, and also a recognition of historic access rights as well. So there are international conventions, the principles of which we would continue to abide by. The answer is, on those migrating species where they are in shared waters, co-operating with other European countries, whether they are in or out of the European Union will continue to be very important.

Viscount Hanworth: Do you believe that perhaps as a first approximation that our fishing rights should be co-extensive with our EEZ?

George Eustice: International law on this is quite clear, that the EEZ is the extent of our fishing rights. That is the position in international law and so it is relatively uncontroversial. The only point I would make is that sometimes when it is said, “We are going to take back control of our EEZ out to 200 nautical miles or the median line”, it sounds perhaps more dramatic than it might be, in that even having established control of our EEZ we would then still engage in international negotiations around mutual access rights, mutual shares and the like.

Viscount Hanworth: You talk in your blog of the stark injustice in the allocation of various quotas, for example plaice and Dover sole in the channel. What is your basis for asserting it is a stark injustice? I know what the figures are but how do you proceed from the figures to the assertion of injustice?

George Eustice: It depends on different parts of the sea, so the point I would make straight away is that in the North Sea, it is generally accepted that we have an allocation which would be considered fair, in that we do have probably the majority of stocks such as mackerel, cod and haddock which are valuable and important stocks to us, but most of those are in our

waters. When you look at something like the Celtic Sea, if you looked at what would be otherwise known as our EEZ, the truth is we get a relatively small share of the total allowable catch.

Viscount Hanworth: Would you not say there is a trade-off there? We have 84% of haddock, for example. How can we complain that the French have too much plaice and Dover sole if indeed their EEZ is so thoroughly constrained by the median lines? I can put an even more extreme case: what about the Netherlands, which has hardly any EEZ? Can we plausibly make a claim to the entirety of this very expansive EEZ?

George Eustice: Under international law that is the position; it is the position that countries like Norway would take, for instance. In the case of haddock in the Celtic Sea, I do not have the precise figures before me but my recollection is that the UK allocation in what would be generally considered the Celtic Sea, so Area VIIbK and the other surrounding areas, is something in the region of 850 tonnes, whereas the French allocation is around 4,500 tonnes, so there is a significant imbalance there. That has been recognised for some time and, to be honest, even if we were staying in the European Union, even if the referendum result had gone a different way, in the next round of CFP reform we would have been thinking this issue of relative stability particularly in the West Country, particularly in the channel, is probably something we ought to be considering.

Viscount Hanworth: If I can finish with this assertion, it strikes me the fishing industry is gung-ho about “reclaiming our stocks” which seems to many of us to be utterly unrealistic, and if it did pursue that kind of agenda we would be in deep political trouble with our European neighbours. Would you accept this, or have the fishing industry more or less got it right?

George Eustice: I think I would make two points. The first is that on one level the industry have it right in that the allocation and share that we have on some of those stocks, notably plaice and sole in the channel, and notably cod and haddock in the Celtic Sea, is incredibly low given the amount of it that is actually caught in our waters. It is also the case that other EU countries and other European countries benefit considerably more from the access they have to UK waters than we benefit from access to their waters. So as a reciprocal arrangement there is no balance here. The rest of the EU benefits more from the access to the UK than the UK benefits from the access to them. Is there an unfairness there? I think there probably is and it is something we should look at. Then there is a second point which is frankly the nature in which you approach this discussion. Do you go in like Nigel Farage and kick the table over and upset everyone? Probably not. I think our European partners have a right to expect us to

behave in an honourable and constructive way with them in subsequent negotiations that take place, and we will behave, as we do as a country, in an honourable way and a constructive way towards agreement, but I think we have a right to expect our European partners to engage on the same terms.

Viscount Hanworth: Finally, I must ask this, should we adhere to the discard ban when we exit the EU?

George Eustice: As some of you will know, I campaigned for us to leave the European Union, but I was very clear that fishing sustainably would remain a key tenet of UK policy if we did leave. The discard ban is the right approach. The UK argued for this. It has to be right to strive to reduce discards, particularly regulatory discards—it makes no sense. I know there are challenges in that and I regularly meet fishermen and I understand all the challenges around shared species. I understand there will be difficulties, but I think having that as an objective that you strive towards is absolutely the right thing. What we need to do to make it a success is to ensure that we make maximum use of all the flexibilities, all the tools in the box that are in that policy, so that we can make it work in practice as well as in theory. So I recognise there will be challenges, but I am not minded to abandon it as an objective. Apart from anything else, we have a manifesto commitment to pursue this as an objective.

The Chairman: You mentioned ICES. Should the United Kingdom maintain that relationship that it has at the moment with ICES as its scientific-based data provider?

George Eustice: Yes. Again, I have to caveat this by saying it is very early days when we are thinking about this, but I think it is highly unlikely we would abandon an approach based on ICES advice. It is what we have now, it is what most other countries do whether they are in or outside the European Union. There is a point on the science which is that if you want, as I do, an evidence-based policy that is rooted in the science, you have to recognise that the science of the marine environment is incredibly complex. The science itself is never perfect. Often by the time the evidence comes through it is a little behind the curve and reality has sometimes moved on, and it is often quite difficult through statistical models to make accurate assessments of predatory patterns between species, for instance, and this can make the task of setting those MSY levels quite complicated. We have constantly to try to refine the science, both in the gathering of raw data on species—make sure we do more of that and use things like remote monitoring vessels and the like, so we can get the best possible science, but also more sophisticated software for how we interpret that raw evidence so that we are constantly aiming towards a more accurate evidence base for the science.

Lord Krebs: Just a very short question, if I may.

George Eustice: A scientist coming in at this point.

Lord Krebs: Not surprisingly. As you know, one of the consequences of Brexit is that the UK scientific community may lose access to quite a significant amount of scientific funding. My question to you is therefore about maintaining that scientific expertise: would your department, or other government departments, then be expecting to replace the European funding that disappears so we have the scientific expertise to underpin fisheries policy?

George Eustice: You have neatly dragged me into Treasury issues and issues for the new Department for Business, Energy and Industrial Strategy, because they would lead on these issues. I would simply say this, and it is reflected in the initial Treasury announcement and in many of the things we have said since: while we are in the European Union it is business as usual, we continue to abide by EU law and we will continue to access those grants and there will be a further announcement from the Treasury on how to deal with any agreements after 2020 on some of the structural funds, for instance. However, clearly, once we are outside the European Union, we will no longer be paying the membership fee to the European Union and it will be for us to take responsibility for some of those things currently being funded by the European Union. This is an issue which has not been resolved yet but I do not think I can be clearer about the importance of science in fisheries. We have of course through Cefas an amazing global centre of excellence based at Lowestoft and down in Weymouth as well, world-renowned fisheries expertise that we would want to retain.

The Chairman: Baroness Sheehan, I think we have gone through some of the next question but perhaps you would like to pick out what you feel we still need to cover.

Q36 Baroness Sheehan: You have stated here several times the importance that you place on sustainable management of fish stocks and, prior to the vote on Brexit, you stated that the Government would conduct an assessment of the zonal attachment of fish stocks and an assessment of the spawning grounds, which would help inform the new settlement regarding fishing opportunities for shared stocks. Has that assessment been done? Can you now tell us which stocks would qualify as UK stocks?

George Eustice: The answer is that, as part of our preparations for negotiations and indeed preparations for developing fisheries policy for after we leave, that analysis has started but it is not complete. I have asked Cefas, where we have some fantastic experts in this field, to begin the process of analysing both data that are already available and those issues I mentioned, things such as biomass, spawning grounds and abundance. They are quite clear criteria that are already followed by ICES and ICES tend to look at those things. What we have not done previously, because we do not need to while we are in the CFP, is analyse what

that means within the context of our own exclusive economic zone. So Cefas have started that work but it is not completed.

Baroness Sheehan: So you cannot at this point tell us which stocks would qualify as UK stocks?

George Eustice: The best evidence we have to go on at the moment on the stocks that qualify as UK stocks is the understanding about shared stocks, and that is why every year at the December Council we have an argument around the total allowable catch in the different ICES areas based on the science. We have under the principle of relative stability at present an access to a share of that total allowable catch and the shares are fixed in stone while we are in the European Union. We estimate that other European countries, both EU and third countries like Norway, fishing in the UK EEZ account for over 1 million tonnes of fish compared to in the region of 150,000 tonnes for the UK fleet in EU waters and third-country waters, predominantly Norway again. So there is a significant imbalance, as I said earlier. We have a good understanding of which stocks are shared. In many cases we do not believe we have a fair share of that stock but the analysis that Cefas is doing will help to inform some of these discussions in future.

The Chairman: Lord Krebs, again we have covered parts of the next question but I am sure there are bits you would like to explore further.

George Eustice: Comprehensive answers mean I am covering a lot.

Q37 Lord Krebs: Thank you, Minister, I think you have largely covered the questions I was going to ask. Just to recap, I think you have said that you view exiting the EU as an opportunity to renegotiate the UK's TAC allocation to achieve what you would view as a fairer share, although as one of our previous witnesses told us, fairness is partly in the eye of the beholder. You have also said a little, in answer to Baroness Sheehan, about this question of rights of access to UK waters and you have just quoted 1 million tonnes versus 150,000 tonnes for other countries extracting from our waters and us extracting from their waters. You cannot go into the details of how you are going to approach the negotiations obviously because that is something that will develop, but it is implicit from what you have said that rights to access UK waters will be part of the negotiating stance. I wondered more generally: why should the EU Member States be more willing to engage in negotiations at this point than when we are already members of the EU? What is the unlocking of this negotiation possibility that you see as a result of Brexit?

George Eustice: I think probably the best way to describe the crucial difference is the legal baseline. Outside the European Union the legal baseline is the UN Convention on the Law of

the Sea, which gives us, as a starting principle, control of our EEZ, and the discussions which take place after that are a matter of negotiation; the baseline while we are in the European Union is the institutionalised formulaic qualified majority vote that we have. So the discussion outside the European Union is very much around what countries benefit from access to our waters, and we would like a balanced discussion on that. The discussion while we are inside the European Union is: can we get a qualified majority to get change? I discussed two years ago with officials in the next round of CFP reform, on the presumption we might be staying in, post-2020 what might we argue for, and we had a discussion on the issue of relative stability. The challenge we have while we are in the European Union is that the countries under a qualified majority voting system, which is an institutionalised voting system which gives us a portion of influence around the EU table, that would support us getting a qualified majority vote for change are other countries that also would like our fish rather than the ones who have it now. So effectively inertia is institutionalised through the qualified majority voting system of the EU. What changes is the baseline. As I said earlier, the crucial thing is we do not barge in like Nigel Farage and tip the table over and upset people, because these are sensitive negotiations and we have to recognise historic rights, but the legal baseline is an altogether different one from the one that pertains while we are in the EU.

Lord Krebs: I guess it is a judgment whether that change of legal base will overcome perceptions of fairness that will obviously differ between countries. France presumably does not think it is unfair it is getting the current share of the channel fisheries.

George Eustice: I am sure it would argue it is fair, but it is difficult to justify. If you look at some of those stocks, the difference is quite stark. It is a complex area. There are other sectors where, while not specifically having access within the French six-to-12 mile zone, in some sectors, for instance on scallops, access to the French part of the channel is quite important to the UK industry. I accept there are trade-offs. All these things will be a matter for negotiation in a new world. The other point I would make is the UK above any other EU country is the country that argued for sustainable fisheries, that argues for science-led evidence-led policy, and those crucial fundamental things will not change because we are outside the European Union. We will exercise our influence in a different way from through a qualified majority vote; it will be exercised differently through other international fora, but we will still be a champion for sustainable fisheries and for protecting our marine environment.

The Chairman: We will now move on to a slightly different angle with Lord Rooker.

Q38 Lord Rooker: George, I just want to support what you said about Cefas. It is a UK secret weapon, in a way, and can I ask you resist any attempts from Whitehall bean counters

who once thought they had a great plan to shut Weymouth, believe it or not. It is a massive asset for the UK and will be a help in the negotiations. I have two questions I want to ask. One is a simple one about the Merchant Shipping Act. Have you considered bringing back any parts of that during the negotiations to get more control, if you like?

George Eustice: The honest answer is that this is an area we will look at and consider but where there is genuinely not a government position. We have not reached a view on how we would approach that. You will be aware that this is bound up, I think, in the famous Factortame case which became a major test case in the age-long debate about parliamentary sovereignty and whether laws made in this place took precedence over EU law. It was a very important judgment. Obviously outside the EU we would be free to revisit that and look at the allocation of quotas to foreign vessels, except we may want to take regard of the fact that in many cases these are commercial entities which bought British vessels and inherited the quota that went with them. There are arguments on both sides. We genuinely have not reached a position, but it is certainly an area that we would look at. I am afraid it one of those intricate areas I have not had a chance to discuss with other government colleagues for us to reach a firm view.

Lord Rooker: We always have to remember of course they were sold the vessels. There are two parties to this negotiation. Can I just raise one other issue? Your blog was really interesting, I thought you gave two brilliant examples of where the EU negotiators have sold out our colleagues in the Scottish fishing industry on a couple of occasions; I will not go over the details because I think they are very clear. Given the fact that fishing is a very small part of our overall economy, can you guarantee the negotiators we have in the new department will make sure the Scottish fishing industry is not similarly sold out as part of the overall negotiations, which include more than fishing?

George Eustice: I am working incredibly closely with colleagues in the Department for Exiting the EU. I think it is understood across government that we need to approach this UK-wide and that is why one of the Prime Minister's first tasks was to go to Scotland and all the other devolved Administrations to talk to them about these issues. The fishing industry is incredibly important to Scotland; we absolutely recognise that. I cannot say more than this is a vitally important issue and a vitally important industry, particularly in Scotland. We recognise that, and you will find recognition of that is reflected in our approach to these negotiations. A lot of fishermen will say, long before my time, there is a feeling that many compromises were made on fishing in particular and many interests were exchanged in order to buy the late British membership of the European Union, and that is still something that rankles with many

in the fishing industry. As I said, we recognise the importance of this industry and are working across government to ensure that is recognised as part of the negotiations.

Lord Rooker: That is a clear answer.

The Chairman: We will move on to devolution. Lord Selkirk?

Q39 Lord Selkirk of Douglas: Lord Chairman, the Minister has answered to a very large extent the question I was going to ask. Perhaps for the sake of clarity, can the Minister reassure us that, given the sectoral differences within the UK and the opportunity for redesigning UK fisheries policy, the Government intend to involve industry, the devolved Administrations and other interested parties in the development of this post-Brexit fisheries policy? Of course this is very important in Scotland as well as in other parts of the United Kingdom.

The Chairman: A supplementary on that is, because fisheries is devolved, are we going to end up having four different fisheries policies within the UK after this negotiation?

George Eustice: We have this challenge on both agriculture and fisheries. The bit we have to work out is how we put in place a UK-wide framework of some sort; what the limits of that framework are; then how we give as much discretion and control as possible to the devolved Administrations to manage fisheries in a way that works for them, so that we respect the existing principles of the devolution settlement and we create the scope in some areas for Administrations to act more expeditiously to deliver changes in things like technical regulations faster than they might otherwise be able to, but to do so in a way that preserves the UK-wide framework. In some ways it is not a new challenge in that Defra, perhaps uniquely as a department, because 80% of our regulation comes from the EU, has to do enormous amounts of diplomacy with our European partners before we can even commence on that diplomacy, and for the last decade or more also has had to do a large amount of internal diplomacy and discussion with the devolved Administrations. So on fisheries, to give you an example, the Scottish Fisheries Minister, previously Richard Lochhead but now Fergus Ewing, and all the other devolved Fisheries Ministers, attend December Council with me. When we go into the trilateral negotiations with the Commission and the Council presidency to make our points, they sit alongside me, so it is a UK delegation that I lead but with the devolved Ministers alongside me, and we discuss our interests with the European Commission. In some ways it is not that new, in that we have always been incredibly inclusive in those fisheries negotiations with Scotland. The other thing I would say, which is an important point which I hope the Committee will take, is that as well as talking to the devolved Administrations, it is also important we have a very strong dialogue directly with

the industry, particularly in Scotland but also in Wales and Northern Ireland. There is a reality here that if you talk to the industry in Scotland, they do not necessarily agree with the Scottish Government on everything and the Scottish industry themselves I believe would like to ensure there is a retention of some kind of UK-wide framework. In particular, they recognise the value that comes from a UK-wide negotiating position in international negotiations. So we have to make sure that we engage very closely with the devolved Administrations and we will, but also the industry in those devolved Administrations.

Lord Selkirk of Douglas: Thank you very much for a very helpful answer.

Lord Trees: Could I just ask a quick supplementary on that? You said the baseline in international law was very clear and the EEZ would be the baseline. Does that international law differentiate between our devolved countries? I presume it is one EEZ for the UK.

George Eustice: Yes, that would be my understanding, because the UK is a signatory to the UN and a signatory to that particular convention.

Lord Trees: So that would obviously limit scope for certain individual activity or agreements?

George Eustice: Yes. It does not limit the scope for us within the UK to work out our own conventions, so we have had for a number of years, I think almost uniquely actually within government, a convention that Scottish Fishing Ministers are part of our UK delegation in fisheries negotiations. That is a convention we have established. We also have a concordat that we agree with all the devolved Administrations on how we manage things such as transfers in fixed quota allocations between Administrations. We have a long-standing track record of working through our differences on this front. In international law, it is the UK that is the signatory to the UN Convention on the Law of the Sea, and even with our devolved settlement we have a pretty clear principle that has never changed which is that on the international stage it is a UK position.

The Chairman: Indeed, and I am sure that is right, Minister. Moving on, we are still with you, Lord Trees.

Q40 Lord Trees: Yes, sorry. Good morning, Minister. I am going to ask about resourcing. There have been very severe budget cuts to Defra in recent years and concerns have been voiced about the capacity to deal with all these complex negotiations and analyses which will inevitably precede them. How would you address those concerns?

The Chairman: This was brought up quite strongly specifically by some of our previous witnesses.

George Eustice: There are a number of points I would make. Number one, we have an incredibly talented marine and fisheries team in Defra. I have worked with them now, as I have said, for three years and I am very impressed with the expertise we have. We have even deeper technical expertise within Cefas and we have worked very hard in Defra in the last 18 months to two years in particular to make sure we link up some of that delivery policy expertise within the Defra family, so we actually make greater use and draw more on some of the expertise we have in the arm's-length bodies and agencies. In the context of the EU, I think I would say this: first, we are mapping out the workload that we have, both to design a policy post-Brexit but also to play our part in those crucial negotiations for Brexit itself. Our civil servants and our Permanent Secretary are leading on that piece of work. If a case has to be made within government to say that Defra has a greater exposure to these issues and a greater corresponding workload as a result of that and we need to make a case for additional resources, obviously we will do so. Some initial work to look at that has been done.

There is a separate point I would make and that is, while there is an additional workload to think about policy post-Brexit, to do the planning for the Brexit negotiations itself, there may also be other areas where we may be able to slim down or streamline work on emerging EU dossiers that are some years off. If we have an emerging EU dossier that is, in the cold light of day, highly unlikely to come to fruition for five years and we are in the foothills and early stages of discussing things, there is a moot point about how much resource we throw at that given we will be outside the European Union at that point. So there may be an opportunity to reprioritise the work we are doing within the European Union now and take a view on some of those agendas which are some years off to free up resources to focus on the more immediate tasks that we have in front of us now.

Lord Curry of Kirkharle: George, I would just like to follow up on the subject of negotiations. You have stated quite clearly and quite rightly you want to use scientific evidence as the basis for negotiations on fish stocks and movement et cetera. When it comes to market access and tariffs, it is inevitable there is going to be some horse trading and one may well be played against the other, and some fish species are particularly important to the UK and more important than others. The whole issue of tariff negotiations will have to take place. Have you thought about that? You are going to tell me this is still work in progress, but have you thought about the early trade-offs you may have to consider to secure market access?

George Eustice: The answer is, as you predicted, that we are doing an enormous amount of work in this area. As part of developing a cross-government position, Defra is retaining the

lead for agricultural and fisheries trading issues. That is the norm internationally as well. We are doing quite a bit of work and analysis on the access that we would seek to have to the European market and vice versa but also opportunities and potential in third markets. In our written submission we gave you the breakdown of the main species that we export. There is one other point that is worth looking at, and we are looking at, and that is there are countries—obviously Iceland and Norway in particular—from whom we import very large quantities of fish, predominantly cod, and those are done under preferential tariff agreements. So fisheries traditionally has been outside. EEA countries have free trade and access to the customs union for most goods, but fisheries has always been regarded as separate to that; a separate item. Notwithstanding that fact, there is preferential access for those countries. Broadly speaking, the history of the fishing industry in this country is that we export large amounts of what we catch—predominantly haddock, huge amounts of crab, live crabs even to places like China, and large amounts of mackerel to countries such as Nigeria—and we import a lot of the fish we eat, predominantly cod from Iceland going into those major processors in Grimsby. That has been a pattern of our fishing industry and trading for many, many years.

Q41 The Chairman: Minister, Lord Rooker has dealt very well with the question I was going to ask but can I come back to the politics of this a little bit? Both you and I have been involved in fisheries issues for some time; we come from a region where these issues—and in Scotland, as has been described—are quite emotional and they are around communities and they are deeper than just the economics of the situation. We had here last week the representative of the Scottish Fishermen's Federation and I will describe his view. He brought out a big map of the whole EEZ of the UK in blue, stood where you are now and said basically, "That is our EEZ, we should keep everybody else out, and what our strategy in the UK should be is to expand our fishing industry so we use all our own stock ourselves." That description of mine he would probably describe as a compromise on what he actually said. It was very, very strong indeed. I am not saying you are suggesting that in any way, but how do we avoid in this industry the inevitable disappointment there is going to be on any solution we can possibly get, however good it is? How do we deal with this particular sector which has very, very high expectations?

George Eustice: I meet fishing representatives regularly. I think I met the same Scottish fishing representative before he came here, so maybe it was meeting me that got them wound up to say these things. It comes back to what I said earlier. There is a question of our negotiating position and on that fishermen do make a fair point, that if we are entering a

negotiation, recognising where our strengths lie is an important first principle. As I said earlier, the access other countries have to our EEZ and the volume of fish they catch within our EEZ is significant when compared to the corresponding access we have in EU waters, and I do not think anyone would really dispute that. So it is recognising that. Then it is a question of playing that hand in good faith in a way that is good natured, in a way that is not intended to provoke confrontation but which is intended to work towards a solution. I think this country is very good at doing that. I think there is a danger that we have, obviously, just come through a referendum campaign and people around this Committee will have been on different sides of that. Many of us have done many campaigns; campaigns are quite brutal by their nature and people take very tough positions, but my view is that now that the decision has been made, as a country we need to reconcile to that decision and we need to change our body language and reassure our European partners that we are not hostile, we want a different type of partnership, we want to take back control of our own law making again, but we are also a country that is outward-looking, engaged and we are going to engage with Europe and engage with the rest of the world but in a slightly different way from how we have done over the last 40 years. I think there is a task that we all have, which is to take the heat out of these issues, so we can have a genuinely constructive discussion and negotiation around Brexit. It, after all, is probably the biggest decision this country has taken since joining the EU or possibly since the Second World War. It is a big decision which is very complex and will require a lot of good will and hard work and I think we need to approach it in the right spirit. So my answer is: I completely understand where the industry are coming from and I understand their suspicion they might be sold down the river, as they believe they were when we joined the EU. They are right we should recognise the strength of our negotiating position, but we need to approach these negotiations in the right frame of mind.

The Chairman: I wish you luck in your negotiations with the Scottish Fishermen's Federation more than I do with the European Commission, to be honest, Minister. We thank you very much indeed for your contribution and coming here and talking to us. It has been a very useful session. Thank you very much indeed.