

Scottish Affairs Committee

Oral evidence: [Coronavirus and Scotland, HC 314](#)

Thursday 3 September 2020

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Members present: Pete Wishart (Chair); Mhairi Black; Deidre Brock; Wendy Chamberlain; Alberto Costa; Jon Cruddas; John Lamont; Douglas Ross; Liz Twist.

Questions 356-406

Witnesses

I: John Anderson, Chief Executive, Scottish Fishermen's Organisation, Jimmy Buchan, Chief Executive, Scottish Seafood Association and Elspeth Macdonald, CEO, Scottish Fishermen's Federation.



Examination of witnesses

Witnesses: John Anderson, Jimmy Buchan and Elspeth Macdonald.

Q356 **Chair:** Welcome to the Scottish Affairs Committee, and welcome to our guests this afternoon. This is part of the Scottish Affairs Committee inquiry into coronavirus, looking particularly at issues around the fishing industry and sector. Thank you all for joining us.

For the record, could you say who you are and anything by way of a short introductory statement? We will start with you, Ms Macdonald. Welcome to your new position. We are very much used to your predecessor, Bertie, at these sessions. We very much welcome you, and I am sure you will be as much a friend to this Committee as Bertie was through all these years.

Elspeth Macdonald: Thank you very much, Chair. I am Elspeth Macdonald. I am chief executive of the Scottish Fishermen's Federation, and I have been in this role for just over a year. You are quite right: my predecessor, I am sure, gave evidence to the Committee on many occasions, and I look forward to assisting you with your work as much as I can.

The Scottish Fishermen's Federation is made up of eight constituent associations, which have within their membership about 450 fishing vessels. That represents more than 90% of the fishing quota in Scotland, and probably around the region of 65% of the total UK quota. We represent members large and small, from the very largest pelagic vessels to the very smallest inshore ones, and we have representation from a wide geographic range around the Scottish coast.

Q357 **Chair:** Thank you for that. Mr Buchan, I think this is the first time you have been here in your new role. You will have to unmute yourself, Jimmy.

Jimmy Buchan: Good afternoon, guys. Apologies—I win the booby prize again.

Thank you for inviting me along to give evidence at this session today. I am very much looking forward to it. I am the chief executive of the Scottish Seafood Association, which is processors right across Scotland, but primarily in the north-east of Scotland, where most of the fish landings take place. We have a membership of 80 companies, ranging from very small—one to five people—companies to companies with over 600 employees. We have quite a wide range of processing, including primary processing as well as secondary processing, to domestic markets, EU markets and global markets, so we are very much a global entity.

Q358 **Chair:** Thank you, Mr Buchan. Lastly, Mr Anderson.

John Anderson: Hello there. Good afternoon. My name is John Anderson, and I am chief executive of the Scottish Fishermen's Organisation or SFO. We are the largest fish producer organisation in the UK and one of the



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largest in Europe. We have about one third of the Scottish fishing fleet in our membership, covering all sectors—pelagic, whitefish and shellfish. Our two key areas of focus are quota management and marketing, and we also have two onshore processing facilities, focused primarily on the production of langoustine and scampi, or prawns, both for the UK market and for export, primarily to the EU.

Q359 Chair: Thank you all for your very concise introductory remarks. I will just kick things off by saying that we know that the fishing sector has been particularly badly hit by the coronavirus pandemic and issues to do with the lockdown. I want to go around all of you, just for you to tell me exactly how this has impacted, what the challenges are for you, and maybe even to get some suggestions of the ways forward that we as politicians and the political community can help and assist you to get through some difficulties. We will start with you, Ms Macdonald.

Elspeth Macdonald: I think it is fair to say that the coronavirus pandemic hit the sector very quickly and hit some parts of it very hard. It is important to recognise that the industry is diverse. So, as I think John alluded to, we have a shellfish fleet, a whitefish fleet and a pelagic fleet, and it was apparent pretty quickly that the shellfish part of the fleet was the most immediately hit—initially, the very smallest part of that fleet and then the slightly larger vessels.

There was really a very significant impact on that part of the fleet. They were unable to operate very much at all in the initial stages, as there was no market for the product because of the lockdowns in the UK and in many of the export markets, so the impact on the shellfish fleet was very quick and very significant. I am sure that as we go through today we will talk about how things have developed since then.

The whitefish fleet—the sector of the fleet that catches cod, haddock and the whitefish demersal species—were able to continue operating throughout the pandemic and the lockdown, but in a very significantly altered way and serving a very volatile marketplace. It was important along the way that we were able to have discussions across the industry and with Government around what sort of measures might be needed to try to manage the amount of fish that was landed on the market to meet market demand, not just in terms of demand but also so that the actual markets and the processors could operate safely, because obviously businesses were having to work in line with the coronavirus safety requirements.

Thus far, the pelagic fleet has certainly been the least affected, and that is largely because the pelagic fishery is a very seasonal one in Scotland. We have the mackerel season, which is at the start of the year, and that finished before the covid pandemic hit us hard, and the herring season has only just started. So the pelagic sector escaped unscathed, compared with the others. If we look at it across that graduation, the shellfish part of the catching sector was certainly the most significantly affected.

Q360 Chair: Mr Buchan, is that roughly your experience—that it has been the



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shellfish sector that has been most badly hit and where there have obviously been issues?

Jimmy Buchan: Absolutely. I would mirror pretty much what Elspeth said in her introduction. However, I will go further and say that that situation is still continuing. The shellfish sector is probably still only at 50% of capacity for where it should be at this time of year, so that continues to be a concern for us, whereas the other sectors have managed to come back onstream relatively quickly, especially the whitefish sector and, as Elspeth alluded to, the pelagic sector, which managed to get either side of the spike.

However, we must be very aware that the shellfish sector continues to suffer, just due to its nature. It is a high-value export market. Until we see some sort of normality return to how people go on holiday or travel on business, we will find a reduced market for that product, so we need to flag that up.

John Anderson: I would not disagree with anything that Jimmy and Elspeth have said. The pandemic has undoubtedly had a major impact on the Scottish fishing industry. It has been a particularly difficult and challenging year all round.

In terms of the whitefish fleet, as Elspeth mentioned, the mixed fisheries, haddock, cod, whiting and so on, most vessels did continue to fish throughout lockdown. In doing so, they were subject to considerable price volatility due to fragile and erratic demand.

For our own whitefish fleet, our year-to-date figures, our landings, are surprisingly down just 5%. I was expecting a bigger hit than that, but the value of those landings was down 15%, which does reflect poorer sales prices.

However, the most acute economic impacts have been felt by our nephrops or prawn fleet, much of which, as Elspeth mentioned, has experienced total loss of market during lockdown. From mid-March until early May, most of our prawn fleet was tied up. Demand had practically fallen off a cliff. Those who were fortunate enough to still have a market were being paid a fraction of the usual market price. All the main Scottish freezer processors, including ourselves, halted production during that period, as did most fresh operators. Some smaller outfits did continue trading, but prices were low and barely viable for most of our members.

The outcome from an SFO perspective of all of that is that the value of our nephrops landings by the SFO fleet this year is down over 50%. That represents a 30% price decrease on average across the board. That is grim by any stretch of the imagination. The reality is that coronavirus has majorly impacted on the nephrops value chain and it looks like it will take quite some time to fully recover.

Q361 **Chair:** Thank you. I do not need all of you to answer this, but maybe just help us a little bit. You talk about depressed demand. Is that mainly from the hospitality and restaurant side of the business, or is it just a matter



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that people are not eating as much fish during the pandemic? Just help us to understand exactly what has happened and the reasons behind the falling demand.

Elspeth Macdonald: There is a high reliance on the hospitality market, particularly for shellfish such as nephrops, as John and Jimmy have alluded to, and for scallops. Clearly, the hospitality sector, at home and abroad, was essentially non-existent during the early part of lockdown. That had a significant impact.

Jimmy Buchan: If we take what we are now experiencing as the new normal, where restaurants have reopened but with social distancing, the capacity has gone, for example from 100 seats to 50, or from 50 seats to 25. If you reduce your capacity by 50%, consumption will go that way, which is reflected in the numbers that John has given you, as will demand for the product. Covid-19 is certainly having a serious effect on the hospitality sector.

Q362 **Chair:** I know colleagues will want to ask you about the threat of a renewed lockdown and issues we might confront throughout the pandemic and its trail-off. I am just wondering, as we look ahead to the possibility of that happening and the possibility of a no-deal Brexit, if you are in any sort of position to adapt and cope with that double whammy coming your way and what challenges you might have around both of them hitting at the same time.

John Anderson: Clearly, any further market failures resulting from second waves, lockdowns and so on would have a seriously detrimental impact on the viability of the industry, particularly the nephrops sector. Nephrops vessels were tied up with no income for a significant time period earlier this year. Although they are now mostly back at sea, profitability has greatly diminished. It would be fair to assume that back-up reserves would have dwindled by now, so I doubt this fleet would be particularly resilient to further significant shocks.

Because of this worrying prospect, I and other industry colleagues have been in dialogue with Cabinet Secretary Fergus Ewing, Marine Scotland and Scotland Food and Drink officials about setting up a nephrops sector-specific resilience initiative to identify actions that will help to facilitate a sustained economic recovery throughout the nephrops supply chain and help to protect the Scottish coastal communities dependent upon this valuable natural resource, which of course is the second most valuable Scottish seafood product after mackerel, and ultimately try and drive this sector forward post-covid and into a post-Brexit environment as well.

Q363 **Chair:** Maybe Mr Buchan can help me with this one. If we face increased pressures around covid, combined with a possible no-deal Brexit—we hope that that will not happen, but let us say that it does—and markets are much more difficult to access, what does that mean to your members?

Jimmy Buchan: It basically means that the market will be more difficult to sell to. Again, we have got to live for the day that we do get the



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outcome that helps this industry to move forward. That is in the hands of the politicians, so, no matter what I say today, I have little or no influence on the outcome of that. All that we know is that we need to get a deal that works for all of industry, and therefore we have to allow it to take its course but be prepared that this may not be the outcome we want. It is not a bad thing that you have asked that question because we have got to focus minds and thoughts on making sure that we can get fish to market.

Q364 **Chair:** Do you have any thoughts about the possibility of that double whammy, Ms Macdonald? Again, we hope that that does not happen, but are there any plans in place for that, for example, among your members?

Elspeth Macdonald: What worked well during the crisis that we faced earlier this year was the very good communication across the supply chain right across the industry and with various bits of Government both north and south of the border. I am sure we will talk about that later on today. I certainly think we all learned a lot in terms of the pace at which we had to make decisions about things and the importance of information flow, for example, to make sure that people understood what was happening and what needed to be done.

In the context of a second wave or a second lockdown, I very much hope that all the measures that Governments both in this country and abroad will have taken in terms of having much more testing, test and trace and so on, would put us in a position whereby we would not find ourselves in these great nationwide lockdowns that caused the scale of problems that we saw in March/April/May this year, but that we would be more in a position of being able to manage the outbreaks through the localised lockdowns that we have seen over the last few weeks. I completely appreciate that this is uncharted territory for all of us, but I think there is a lot that we learned from the experiences that we have had in the last few months that we would certainly draw upon should we find ourselves in that position again.

Q365 **John Lamont:** My question follows on from the idea of localised lockdowns, which we have seen examples of in Scotland over the last few weeks. Do those localised lockdowns have any particular challenges for your industry? I suspect Aberdeen had an impact, but, in terms of demand on fish products, was there an issue when restaurants and pubs were shut down in certain cities?

Jimmy Buchan: I would certainly say that we did see the effect of local shutdowns in specific hotspots having an effect, just because people are more restricted in their movements. Should there be further spikes, what we need is clarity from the local authorities on who are key workers. We have got to make sure that fish, and food in general, can get to the supermarkets.

If I have learned, or we have learned, anything from this, it was from the lack of clarity and vision and leadership on who should or should not be going to work when there were lockdowns like that, from the point in March and April where there was a lot of uncertainty. We need to make



sure that if there are further lockdowns and if we are going to keep food production and food on the tables in this country, key workers have the facility to get to work, and be able to carry out the work.

Elspeth Macdonald: Jimmy is certainly better placed than I am in terms of being able to talk about those very localised fluctuations in demand. He is absolutely right, though, to make that point about key workers. If we were in the position where it was Aberdeenshire, rather than Aberdeen, that had been the subject of a localised lockdown, we would indeed have been in the position of thinking about the importance of the sector in terms of the workforce and the ability for material to be moving around.

Again, I think Jimmy has made the point absolutely clearly that there was a sort of flurry of uncertainty in the early days of the pandemic—just in terms of who was going to be categorised as key workers, and so on. I hope we have all learned from that in terms of these decisions need to be made quickly. It was very helpful, when the clarity was forthcoming, that anybody involved in the food production chain was considered to be a key worker.

There are almost two sides of it that we have to think about. We have to think about what demand for the product might be, and fluctuations as a consequence of local lockdown, but also about lockdowns that might actually affect the production side, and how we deal with that, also.

John Lamont: Thanks. John, do you have anything to add to that?

John Anderson: Not really, no. I think Jimmy and Elspeth have covered that.

Q366 **John Lamont:** In terms of the economic response by the UK and Scottish Governments to the pandemic, how would you assess that? What could have been done differently, and how did you see the different schemes that were on offer between the two Governments matching up from a fishing perspective? John, do you want to start with that?

John Anderson: Yes, sure. As I understand it, the Scottish Government made available over £20 million of financial support to the Scottish seafood sector due to covid. That consisted of, I think it was up to £6 million for the under-12 metre shellfish sector; I think it was a maximum of £27,000 per vessel, based on the previous year's gross earnings. That was the first scheme. That came in very quickly, before the UK Government had announced anything at all.

Then a couple of weeks later, I think, once there was an announcement on the furlough scheme and so on, it was up to £3.5 million allocated for the Scottish over-12 metre shellfish sector, which I think was a maximum of £20,000 per vessel. The difference between the two aid funding packages was that for the under-12s it was to cover gross earnings, and for the over-12 metre vessels it was purely to cover fixed costs. There was also some cash for trout and shellfish aquaculture—I know that is not applicable for us—and there was £10 million set aside for onshore fish processors, which Jimmy will know all about. So the schemes most



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relevant to the SFO were those for the under and over-12 shellfish sector categories. We also claimed from the onshore processing sector fund for our factories. We also had to furlough 50 non-factory workers as well. There was some discussion around the potential for aid for the whitefish fleet specifically, but I believe the conclusion there was that there was insufficient demonstrable hardship in that fleet. They did keep fishing throughout, so we couldn't really demonstrate sufficient hardship to warrant direct financial support.

It could be easy with the benefit of hindsight to point out some inconsistencies between the schemes. Overall, they were devised and introduced fairly rapidly, getting financial support to where it was needed. It is quite a good example of the Government and industry working together under pretty high pressure to deliver something the industry clearly needed quickly at that point in time.

Q367 **John Lamont:** Elspeth, Jimmy, do you agree with that, or have anything to add?

Elspeth Macdonald: John has described the situation very clearly, and he is right that it is sometimes difficult to strike the right balance between being able to act quickly and getting it absolutely perfectly right. However, in the context of the under-12s scheme, we have a number of members within the federation who have benefited from that, and the pace at which that scheme moved was hugely welcomed by that part of the fleet. In fact, I was talking to colleagues earlier who said that while other parts of the shellfish sector are still very seriously affected—John has described that very clearly—some of those small vessels that have quite niche products and niche markets have actually found that their markets have recovered fairly well. However, had that funding from the Government not been put in place so quickly, these businesses might not have survived to be able to take advantage of the fact that their market conditions have improved.

In addition to the sector-specific funding from the Scottish Government, there were various other schemes that were more generic in their nature. I believe that many people in the industry were able to take advantage of the bounce-back loan scheme, the pivotal enterprise resilience fund, and of course the other generic schemes that were available, where there was eligibility people were able to draw on. The combination of action and funding from both the UK Government and the Scottish Government, and the urgency with which that was made available, has been very important.

Q368 **John Lamont:** Lastly from me, the Chair mentioned Brexit, and the possibility of a no-deal Brexit. Parliament passed the Fisheries Bill this week, which obviously helps us navigate away from the common fisheries policy and put a new regime in place. Can you just update us, or give us an assessment of what the impact would have been if that Bill had not passed Parliament this week?

Elspeth Macdonald: There is still a bit of a way to go, but if the Bill had not been passed, we would have found ourselves in a position where we did not have a legal framework for fisheries management for the future.



We would have been stuck with the repatriated EU law—essentially, the rules of the common fisheries policy—without the ability to change that law and introduce the types of fisheries management we need for the future. It is a really important piece of framework legislation for fisheries management in the UK in future; we certainly supported it when it was introduced into the Lords, way back in January, and see it as a priority piece of legislation for us for the long term.

Q369 **John Lamont:** Jimmy, do you agree with that?

Jimmy Buchan: Yes, pretty much. By and large, we are supportive of the direction of travel now. Generally, we agree with everything that is said and needed for industry, but our most important thing away from the Bill is to make sure we can keep seafood moving. In general, we are supportive of the whole way things are now beginning to transpire.

Q370 **Deidre Brock:** It is certainly interesting to hear your points of view about the Bill; we will have to hope it is much improved in Committee and on Report.

I had some questions about the resilience of the industry, which is particularly important when you think about the fact we might potentially be heading into another lockdown. I would like a good understanding of that, if that is possible; I wondered if you could give us a bit more of a thorough grounding so we can see more clearly what might happen to various parts of the industry? For example, the situation where we sell so much of our catch to other EU nations and buy fish from them that we prefer must have created a difficulty in just moving the fish—delivering them. I wonder how that affected the industry. Hauliers, for example, will have had some difficulty, I guess, with drivers not being available or vehicles being caught up somewhere. How has that impacted on the industry?

Jimmy Buchan: I am just trying to get the right words, because I am not sure how best to answer your question. I will give it a fair attempt. We are getting into a position where we need to get a deal that works for both the EU and the UK. There are £1 billion of seafood trades either way annually, so anything that has an effect on the UK will equally have an effect on the EU, so we have to make sure we don't do something that means we shoot ourselves in our own foot.

On transportation, I am working very closely with DEFRA to try to make sure fresh seafood can flow out of the country, and equally that fish can come into the country. We are working in the best way that we can to make sure the industry gets what it needs. As I have said before, there is a political field here. We can only lobby and advise, but at the end of the day we are not at the table. As much as we have a wishlist, we are very restricted on the outcome. We may have to just accept that in a negotiation, there are always winners and losers.

Q371 **Deidre Brock:** Absolutely. I suppose I was really thinking more about the effect of the pandemic on parts of the industry like transport, and what impact it actually had. Are you hearing from your members about the



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sort of troubles they experienced as a result of the covid pandemic?

Jimmy Buchan: At the outset of the pandemic, it was really, really difficult for everyone, because everything had closed down and people were scared to go to work. I think we are in a much better place now that people understand that this is something that is going to be managed well. Where there are flare-ups and people are advised not to go to work, that is where we are going to have real problems if companies do not have enough reserve in place to make sure transport continues. For example, if you have 10 lorries and 10 drivers, and two don't turn up, that means that two waggons are not traveling that day. That is something that we would like to think companies are now factoring into their resilience. Therefore, can we depend on them to do the logistics? Again, it is up to them to put in place the correct procedures. We can only highlight these things to the likes of yourselves through these opportunities. That is a good question.

Elsbeth Macdonald: I am casting my mind back to a number of the meetings that took place at the time, convened by the Scottish Government, through the food and drink resilience team. We were having very regular meetings. I recall that the Freight Transport Association and other road haulage associations were part of those. I don't recall the numbers off the top of my head, but certainly a very significant percentage of the UK lorry fleet was essentially parked up, and a very significant number of drivers were on furlough. I recall the conversations: it was essentially the movement of food and other goods for the supermarkets that was keeping the industry going.

I don't recall that there were significant difficulties in the logistics of moving things around at the time, once we had got through the initial, "Oh my goodness! Who can work and who can't?" That continued to function. The bigger impact was more around where the market was and what was happening in the destination. There certainly was a very significant impact on hauliers, but my recollection is that it was the movement of food and non-food items for the supermarket trade that was actually really important to them, particularly in the first days.

Q372 **Deidre Brock:** John, did you have anything to add to that?

John Anderson: Not really. During the height of it, our factories were closed and we weren't shipping anything anywhere due to lack of demand. By the time that demand came around again, things were moving already. It was not a particular issue for us. Going forward, looking for resilience, we are alive to that and we will be developing strategies for how best to deal with these kind of scenarios.

Q373 **Deidre Brock:** This drifts a bit from your area of professional expertise, but obviously fishing communities have the industry right at their heart. For some, particularly the smaller communities, there has been quite an impact that has had an impact on other businesses and, as well, on the mood of the people, if I can put it like that. I know that this is not your professional expertise, but you are part of those communities, and I wondered whether you could give us a bit of an insight into people's



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mood and how they are coping with the setbacks that the industry has had at times throughout this period.

Elsbeth Macdonald: I wonder if I can come in first, simply because I wanted to add something in answer to the last question, if that is okay. We did not mention air freight. That was a significant issue for the product that goes out to places like the Far East—there is quite a good market out there for certain shellfish products—because the reduction in air travel was significant during the pandemic, and continues to be so. Companies do not charter planes specially to take whelks to Korea; they go as freight on passenger planes, so if passenger planes are not flying, there is limited availability and prices are high. That was significant.

On communities, certainly the federation's membership is geographically quite broad and diverse. If we turn the conversation back a little to talking about the support scheme that came in for the under-12 metre fleet, I recall talking to colleagues in some of the islands, with their members who were hugely dependent on that funding—that funding coming through quickly made a huge difference. It has allowed those businesses to remain viable.

I guess there is not a community anywhere in Scotland that has not been touched to some extent by covid, but certainly communities that are highly dependent on fishing and seafood will have all felt the brunt of this. It also showed the ability of communities to act and to do things. For example, in Shetland, the industry there—the whitefish fleet there—unilaterally pulled together and decided that they needed to put some effort restrictions on catching whitefish in place, because of the market conditions. They devised their own scheme to make sure that they were not oversupplying the market—everybody was able to fish, everybody got a fair share of it, but they were not doing it in a way that oversupplied market demand. That is an example of how communities can pull together and show their resilience.

Q374 **Deidre Brock:** That is what I was very interested in. Chair, may I ask one more quick question? It was about that and about communities getting themselves ready for future shocks, working in different ways, just as you said. I was going to ask if there was scope for support for co-operative models—if you felt that was possible in the industry. Obviously, there are producer organisations, but what about something beyond that? Can something extra be done to support them, something useful that could make a difference?

Elsbeth Macdonald: I think it is about arrangements in future not constraining the ability to do that, so that whatever arrangements we have in the future allow us to make those quick, agile and necessary responses to whatever situations we find ourselves in. That is one of the reasons why we have been keen, for example, not to see a lot of prescriptive rules in the Fisheries Bill—not so much prescription that we are constrained and cannot move quickly. The way that the four parts of the UK were able to respond differently to their local needs was evidence



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of how we need to have systems that have sufficient flexibility for communities to be able to do things.

Local authorities are an important part of that too. Funding was made available from Crown Estate Scotland through local authorities to help at a local level. It was a fairly modest amount of funding, but it has been helpful in allowing communities to do things quickly and locally.

Chair: I know Douglas has to go at around 20 past 3. I'll allow you to come back in again later, Deidre, if that is all right. I know Wendy is, gratefully, allowing Douglas in just now to accommodate him.

Q375 **Douglas Ross:** Thank you, Chair, Wendy and the witnesses. Apologies that I have to leave early, but I will catch up with the rest of the evidence later. It has been extremely interesting so far, and I wonder whether I can go back to a point that the Chair raised about any changes. He asked about the consumption of fish. Have we seen any change in the species of fish that people have been consuming in Scotland? A part of the pandemic that has been positive has been people buying more local and supporting local butchers rather than the supermarkets. Have we seen any shift in the types of fish that people have been buying and consuming during this pandemic—trying to get more locally sourced species—or are we still seeing some of the great fish that are caught in Scottish waters having to be exported because there is not a domestic market?

Jimmy Buchan: I think you are right: there is limited demand for some of the species. That is why some of the shellfish companies are still at 50% capacity. The product is there, it can be harvested, but the market is very difficult because it is primarily a global export. That is not to say that we should not be encouraging a change of mindset. If anything, covid has shown us the speed that we change businesses around: as supermarkets decided to take fish off the shelves, for whatever reason, that very quickly transformed into a home delivery service. Out of something that was quite restrictive, new opportunities came for new businesses. How people shop and think about shopping going forward may change. Will there ever be a new normal, or is this the new normal? Only history will tell us that.

What we should be doing is really encouraging the home nation to see the value and the great seafood that we are producing, and to start exciting the imagination that they, too, can have this on their dinner plate. I know it is expensive and there is a price point for everyone, but everyone is, again, equally entitled to a wee bit of a treat. It is about how we can maybe try to change the mindset and attitude towards what we have, probably within 60 or 70 miles of anyone in the British Isles—that is the furthest you will be from the sea. We have a huge opportunity, and we need to work hard to make sure that everyone has access to good seafood, purely for health benefits. If nothing else, it improves our health and wellbeing. That is something that we as an industry would like to see a bit more focus on going forward.

Q376 **Douglas Ross:** Elspeth, John, have we missed an opportunity during



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covid, while there was a captive audience that we have seen in other areas—for example, buying more local products from butchers, fruit and veg people and so on—or is there still an opportunity? What do the respective Governments, the organisations and the industry need to do to promote that?

Elspeth Macdonald: John may certainly have thoughts from the perspective of Seafood Scotland, but anecdotally from my own observations, there have been a lot more local sales. There was quite a lot of support and assistance put in place by the likes of Seafood Scotland and Seafish to help fishers to sell their catch locally, in terms of guidance on what the regulatory requirements were and what they could and could not do. I believe we saw some statistics from Seafish during the early phase, when things were very difficult, which showed that there had been a real upturn in things such as sales from fish vans. They were starting from a fairly low base—a fairly small volume of fish is sold through fish vans—but it had grown quite significantly. It would be great if buying our local produce can continue. We all wait to see how our shopping and eating habits change as a consequence of what we have experienced in the last few months. It remains to be seen what the long-term outlook will be.

John Anderson: Definitely with the loss of export markets and normal markets, some vessels turned to direct selling. There was definitely a boost in the domestic consumption of seafood products that would otherwise have been sold by more traditional means. That was positive, and demonstrated entrepreneurship, to some extent, on the part of some of our fishermen. There were various campaigns and drives from Seafood Scotland, which is the Scottish industry's seafood marketing body, to stimulate and increase the domestic consumption of seafood products that are normally exported. We were knocking on the doors of the retailers to try to get them to reopen fish counters, and so on, but with very little success.

There has been a real push to make the best of a bad situation. Fundamentally, UK consumers do not really like the core seafood products that we catch and produce. We export the majority of what we catch and produce and import the majority of what we consume. It is a real uphill battle, and we have tried and failed many times over many years to redress that balance. That is not to say that we shouldn't continue to try. Certainly, the pandemic has brought that back into sharp focus, and I believe that that will feature as part of the strategy—what I was talking about, in terms of the nephrops sector resilience strategy that we are trying to get off the ground. Clearly, we have been looking at various things along these lines.

Q377 **Douglas Ross:** Elspeth, can I come back to an answer that you gave earlier? I wrote down what you said. Speaking about the Fisheries Bill, which the SNP voted against earlier this week, you said that it was “a really important piece of framework legislation”. Is that correct?

Elspeth Macdonald: Yes, we believe so. We need a framework that will set out the mechanism by which we will be able to manage our fisheries



for the future. What is particularly novel, and in equal measure exciting and challenging, about the Fisheries Bill is the way it makes provision for fisheries management plans, which will then set out the detail in terms of how we manage particular fisheries. Whether they are on a geographic or a species basis, there is flexibility in how that will happen. That is a really novel approach.

Everybody in the industry very much welcomes that, recognising that the models of fisheries management from the common fisheries policy have not given us the agility, the flexibility and the right levers to achieve the right outcomes. We should have the ability, when the Bill is enacted, to develop these fisheries management plans. They will be a lot of work—there is no getting away from that. It is going to take a lot of effort to develop fisheries management plans for our fisheries, but it is a really novel, creative and exciting way for the industry, the Government and stakeholders to think about how we do this for the longer term.

Q378 Douglas Ross: Can you come up with any explanation or support for the SNP fisheries spokesperson, who said: “This Bill does not provide any sort of genuine framework”?

Elspeth Macdonald: Well, we believe that it does create a framework, and we think that it is a good framework for the future. We think it is important that it remains a framework and does not become bogged down in prescriptive legislation. I am sure you will have heard me and others say on many occasions that we must take this opportunity to learn lessons from the CFP; we were shackled to legislation that was made very often by people who were very far removed from practical fisheries management. Fisheries management happened almost in spite of, rather than thanks to, that legislation. This is our opportunity to develop a modern, agile, flexible and responsive system for ourselves. That will require the legislation to remain as a framework, and not something that sets out in prescriptive detail what must happen.

John Anderson: Following on from Elspeth on this issue, as I understand it the overriding purpose is to provide a primary framework for UK fisheries policy to replace the CFP basic regulation. Most importantly, it is to give the UK Government sufficient powers to set fishing quotas and control access to their territorial waters. We clearly need that to operate as an independent coastal state.

Q379 Douglas Ross: My final question to all our witnesses is to pick up on a remark made by Ms Brock, an SNP member of this Committee. She made it earlier this afternoon as the SNP’s spokesperson for fisheries. She said she hopes the Bill comes back dramatically changed and amended. Do our witnesses hope that the Bill comes back dramatically changed and amended?

Elspeth Macdonald: We certainly thought that the Bill introduced in the Lords was broadly the right type of framework for the future. I think the amendments made in the Lords are not helpful. They interfere with the careful balance in achieving fisheries objectives that I think all four



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Administrations had worked carefully to agree and were happy with. I think, too, a number of amendments made in the Lords are in devolved territory, in areas of devolved fisheries management, and these should be areas that we are rightly discussing with the Scottish Government in terms of respecting the devolution settlement and devolved competence. The way we would like to see the Bill improved is for it to go back to its form when it was introduced rather than the form in which it left the Lords.

Douglas Ross: Does anyone have anything to add? If not, don't worry. No. Thanks very much to our witnesses and also the Chair and Members for being accommodating.

Chair: Thank you, Douglas. As Deidre Brock was specifically mentioned, she will have an opportunity to come back later in the session. Wendy Chamberlain.

Q380 **Wendy Chamberlain:** Thank you, Chair, and thank you to our witnesses for appearing today. Given that we have moved order slightly, I will slightly go back and talk about the specific covid response. Previous questions were about the economic responses from the UK and Scottish Governments. Thanks for your initial thoughts on that. Ms Macdonald, you specifically spoke about how people felt in the smaller fleets in relation to the support that was given. I am interested to hear what other feedback you have all had from members and organisations about the support that they received during the pandemic. Ms Macdonald, I will come to you first.

Elsbeth Macdonald: John made the point when we were speaking about this earlier that the schemes were not necessarily perfect. There were probably some people who felt that they were eligible for financial support and did not get it due to the way the criteria around the scheme were drawn. We have to recognise that when you have to act swiftly, there will be winners and losers. Depending on who you talk to, you get a different point of view. Those who benefited were obviously very grateful for the support, and those who perhaps missed out simply because they were just below the line of what the qualifying criteria were felt pretty aggrieved. It is a mixed bag, depending very much on who you ask.

Q381 **Wendy Chamberlain** What category has been inadvertently or otherwise excluded?

Elsbeth Macdonald: Certainly some of the shellfish fleet—some of the larger vessels—did not meet the criteria that were set. They fell on the wrong side of the line. We had extensive discussions with the Scottish Government in terms of devising a scheme that we felt would be as helpful as it could be. Lines have to be drawn somewhere and some people fell on the wrong side of that line. As John also mentioned, there were discussions around whether the whitefish fleet were in need of support, but, because they had been able to continue operating, even though their market was very much affected—John has already spoken about the price volatility that they have had to deal with—it was concluded that there was not evidence of genuine hardship. I know that many of the people who



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perhaps were not able to benefit from the sector-specific schemes, were certainly keen to look at things like the bounce-back loan schemes and PERF—the pivotal enterprise resilience fund. I know that that was very heavily subscribed to and that there was demand for it, and I think that the Government actually increased the size of it very significantly.

Generally, however, there was a recognition that both Governments moved very quickly in unprecedented circumstances, in terms of not just what we were dealing with but the real practicalities of how we were all having to work. Had anybody heard of Zoom at that point? Yet it has become our sort of *modus operandi*. So I think that everybody realised that people were doing their absolute best in the circumstances that we found ourselves in.

John Anderson: I agree with everything Elspeth has said there; I am not too sure how much I can add. I do think that hindsight is a wonderful thing and perhaps if you had all the time in the world to design the perfect aid scheme, you might have done things differently. You might have given aid only to those vessels that had completely lost market and were tied up for a period of time—something that I believe exists on the EU side and that the EMFF called “temporary cessation of fishing activities”. There is aid in the event of that, whereas I think that the approach taken with these two aid schemes that we are talking about was in relation to whether you met certain criteria, not what was actually happening to you at that point in time. Perhaps as part of any reflection and consideration about how we might want to do things differently in the future, you may want to look at that.

However, as I have said before, there were a lot of difficult decisions to make in very trying and testing circumstances, and I think that overall the outcome was fair and just, although clearly some individual cases fell the other side of the line. I would have thought that it was very difficult to get it spot on.

A question was posed to me in preparation for this session about future-proofing aid to the fleet in the event of future pandemics. Maybe that was something to do with second lockdowns; I am not entirely sure. Whether something should be built into the Fisheries Bill along those lines, I do not know. Certainly, it is something that we need to consider in whatever replaces the EMFF at the UK level, but I am not sure that the Fisheries Bill is the correct place for that. That was one of the questions put to me, but I am not sure whether that is applicable to your question.

Q382 **Wendy Chamberlain:** So, arguably not the right mechanism, but there is definitely a need to think about and consider that issue. And I suppose it is the role of the initial inquiry by this Committee to take that first sort of look backwards.

John Anderson: Correct.

Q383 **Wendy Chamberlain:** Mr Buchan, do you have anything to add, in terms of the feedback that you have had?



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Jimmy Buchan: I think both Governments—in Scotland and in Westminster—have to be applauded for the speed with which they have tried to keep business afloat. I think that goes without saying, because without that help I am pretty sure that a number of these businesses would not be here right now. So that has to be applauded and acknowledged.

Having said that, you probably heard me say earlier that a number of the shellfish businesses are still struggling, and some of these businesses are sitting in the most remote areas of Scotland. Therefore, I have asked and I continue to ask that the Governments look at this situation on a case-by-case basis. These companies employ local people in significant areas of remote Scotland. I think we need to go back and readdress this, to see how we can help these companies, because if we cannot get some sort of help to them, the risk is that they will be gone and then, when the industry does recover, there will be a lost opportunity. That is something that I would like everyone on this panel to be mindful of.

Q384 **Wendy Chamberlain:** That relates to Deidre Brock's comments about the community impact. What looks like a very small number of job losses could completely decimate a local community in this industry.

Jimmy Buchan: Absolutely. Not only that, but it is the skills that come with these jobs. And it is generational, so it is really important and I ask all on this panel to take it into due consideration. As I have raised with Scottish civil servants and Ministers, we need to look on a case-by-case basis.

Wendy Chamberlain: The final part of my questioning is about something that we have already touched on: the way that the whitefish fleet has not been affected to anywhere near the extent that the shellfish sector has, for example. We have also talked about potential diversification. The sector has already done some diversification. Two fish vans now come into my village from Pittenweem, so there are some definite lessons to be learned. What specific additional support should we be looking at for the shellfish sector? We have also talked about price volatility. What can we do to support price stabilisation; what do we need to think about; and what lever can either Government pull in that regard?

Jimmy Buchan: Unfortunately, we are in a supply and demand industry, and if there is oversupply and no market for it, the price falls. The first people to suffer that are the fisherman and the harvesters. It is really very difficult because we cannot stimulate enough demand in our own local economies. We have all said that we need to keep trying to help that, but until we can get international trade moving at pace and in volume we will be in a very difficult position.

Q385 **Wendy Chamberlain:** Because we are so dependent on the export sector—thank you. Ms Macdonald, do you have any observations on that?

Elsbeth Macdonald: I think John will be able to say more on that; he and others have been part of an initiative to pull that supply chain together and get the right people around the table with Government to say, "This is



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a real problem in this sector; how are we going to fix this?" As I said earlier, one of the real learning points from covid has been the way that we have convened, got folk together and started trying to solve problems quickly. John can probably say a bit more about that specific piece, but I think that is the sort of territory that we need to be in.

Q386 Wendy Chamberlain: Maybe that is where Zoom's modus operandi has helped to some extent. Mr Anderson?

John Anderson: As I mentioned before, the nephrops sector has come together in various parts of the supply chain to try to brainstorm what we need to do to get us moving in the right direction again. We hope that some kind of formal initiative will be established in the near future. There will be supply-side and demand-driven initiatives; no doubt, new marketing and promotional strategies; quality initiatives, product differentiations and so on. The question is to what extent that will really make an impact and a difference. We are concerned about the viability of parts of not just the nephrops fleet but the onshore processing sector, as I am sure Jimmy will agree. We need to keep a close eye on things to see how that market develops, in particular if there are further lockdowns—whether for shops, market towns or at whatever level. If we want to keep that fleet and that sector in operation, because of its socioeconomic performance, we may well have to seek some additional emergency hardship funding—it is very difficult to say at this stage.

Wendy Chamberlain: Thank you very much. I am afraid that I have to leave, Chair; thank you all very much for your time.

Alberto Costa: Apologies at the outset if my voice is not carrying very well.

Chair: We are still having sound problems with you. Maybe if you were closer to your microphone we could you hear just a bit better.

Alberto Costa: I am close as I can get, Chair. Is that better? Can the panel [*Inaudible.*] No?

Chair: Try again, Alberto, and we will see if can pick you up here.

Alberto Costa: Is that better at all?

Chair: It is, yes—we have got you now.

Q387 Alberto Costa: Good afternoon and thank you for attending the Committee. Most of the answers that you have given to colleagues, particularly Wendy, have answered the questions that I wanted to ask. I want to drill down specifically on support that the UK Government have given for jobs in the fisheries sector in Scotland. What specific measures for jobs can the UK Government take to help support the industry in the long term? John, you mentioned a few in your answer to Wendy. Perhaps you will expand on the long-term support that you would like to see from the UK Government.



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John Anderson: Our dialogue so far has solely been with the Scottish Government in relation to this, to be absolutely honest with you, and our thinking has not really branched out beyond that. Having said that, the nephrops sector is not specific to Scotland. We have colleagues in Northern Ireland and in the north-east of England who have faced similar difficulties with their nephrops sectors in particular. As for the recovery, our focus has been purely at the Scottish level so far. To be honest, I have not given much consideration to what input the UK Government should or could give.

Q388 **Alberto Costa:** What about you, Elspeth or Jimmy? Do you have any views on what support the national UK Government could do to assist the Scottish fishing industry jobs?

Jimmy Buchan: Absolutely. One of the main things that we would like to see going forward is a replacement for the EMFF funding, which is the European Maritime and Fisheries Fund. It is something we are already engaging about with the Scottish and UK Governments. That will be crucial to growing this industry going forward.

We all know that Brexit is a process—it is happening—and we have already spoken about the Fisheries Bill, which sets the correct framework and is working towards that. What we will have to have onshore is inward investment, and that can only come with Government incentives. Again, we have to start looking at the long term and the bigger picture. With that, I am confident that communities and business can grow. If that is happening, we will have a thriving industry and money coming back to the coffers of Government through taxes. We have to get the investment to get the return.

These are just some of the things that have got to be focused on going forward—huge challenges, but they are critical to the growing of this industry. If we do not, the consequences will be that fish may be landed out of this country and the economic benefit will be lost to the communities. The whole thing that we are trying to protect is to grow the UK fishing industry, especially in Scotland. This is a huge opportunity, and it is time that we all got together to start working collectively, instead of trying to stop and resist where this industry wants to go.

The one thing that has been proved is that, if we get the fisheries and the investment onshore correct, that will create wealth and job prospects, which will go on for generations to come. Of that, I am sure.

Elspeth Macdonald: I echo a lot of what Jimmy said. He and I, and many others, have spoken on many occasions about the need for a replacement for EMMF and about ensuring that, whatever that replacement fund looks like, it is clearly tailored to be able to meet the needs of Scottish circumstances.

I completely agree with Jimmy about the right outcome being achieved for the Brexit negotiations, with the UK fleet and the Scottish fleet that we are talking about today being able to catch a much fairer share of the fish in



our own waters. That should have a dividend for the shore-based side as well as for the catching side. We need the investment and the infrastructure to reap the benefits, and to make it a successful industry right through the supply chain.

Q389 Alberto Costa: Elspeth, you mentioned dividends. What effects can you foresee on employment in the fisheries industry in the next 18 months, assuming that all goes well with ensuring that the fishing industry has the right framework in place to manage its assets?

Elspeth Macdonald: There are a lot of moving parts there, because as John has said a couple of times today, there are some real, immediate problems at the moment for parts of the shellfish fleet and parts of the nephrops fleet that are really challenging to their viability. That also has to be factored in, but in terms of the opportunity to catch more fish, there is already latent capacity in the catching fleet. If you look at our pelagic fleet, for example, it is fairly small in number; I think it is about 20 or 23 vessels, but they are large, modern, efficient vessels that, with the opportunity to catch more fish—with greater quota availability—could catch those fish relatively easily with the capacity they already have. The whitefish sector, again, will be quite variable. Again, there has been really good investment in the catching industry in recent years. There is a lot of capacity in the fleet to deal with that.

As Jimmy has described, there is real opportunity on the shore-based side to grow the processing capacity to deal with the additional fish we will be able to catch. However, we will certainly also be looking at new entrants to the industry, and that will be very much part of our discussion with the Scottish Government as they bring forward their national catching strategy for the future. How can new people get involved in the industry, what are the current barriers to entry, and how can those be addressed? This is a once-in-a-generation opportunity to renew and revive the industry across the whole supply chain, and it is really important that we take absolute advantage of that.

Q390 Alberto Costa: Thank you, Elspeth. John, do you have any comments?

John Anderson: I am just really supportive of everything that has been said there. All that hinges on getting the right outcome from Brexit, in the negotiations that are ongoing at present, so there is a real rationale for us increasing the share of fishing opportunities that are within our own waters. We are looking to our Government and our negotiators to deliver an outcome that is right for us, and to not do anything that is detrimental from a market point of view, but ensure that we have a much fairer share in our natural assets.

Q391 Alberto Costa: Thank you. Can I finally turn to what in your opinion the Scottish Government are doing, or can do, to help support the local economies of towns that are particularly vulnerable to the changes in your sector's performance? What would you like to see the Scottish Government do for those particular towns? I am thinking of Arbroath, for example, and other such towns. Elspeth, do you want to start with that



one?

Elspeth Macdonald: It is probably just building on what I said earlier. Looking at the replacement funding, for example—things like EMFF—however that scheme is designed, it has to be a scheme that all parts of the country can benefit from, and that businesses at different scales are able to benefit from.

Clearly, the scheme at the moment has European rules around it; whatever scheme we have for the future will have national rules around it, and since that future scheme will be carried out in Scotland, it is really important that the Scottish Government design it in such a way that it is going to support the growth of the industry. Again, I think we all look forward to having those conversations with the Scottish Government and Marine Scotland through that ongoing, national discussion that they started last year on the future of fisheries management. We will be continuing that discussion very shortly, regarding the next steps on that policy.

Chair: Thank you, Elspeth. I am just conscious that we are running out of time quite quickly, so if that suffices for you, Alberto—

Alberto Costa: It does, yes.

Chair: I will move on to Jon Cruddas.

Jon Cruddas: Thank you very much, Chair. Good afternoon, everybody; I will be brief. I just wanted to follow up on the question raised by Deidre, and give you the opportunity to raise anything more you would like to point to, in terms of the effects on coastal communities. We have seen some reports about fishermen turning to food banks and welfare organisations. We saw a Fishermen's Mission emphasis on lobster and crab fishermen on Scotland's south-east and west coasts being particularly affected by the pandemic. I just wanted to know if there were any other points, in terms of the effects on coastal communities that rely on fishing, that you might want to raise when you got the opportunity with us, this afternoon. Maybe John, because I think Elspeth responded to Deidre's earlier point. John, is there anything you want to raise?

John Anderson: No, I don't think there is.

Jimmy Buchan: I am pretty happy we have covered the ground quite well on that particular matter, so I've nothing further to add.

Chair: Thank you very much for that very quick and concise intervention, Jon.

Q392 **Liz Twist:** I will also be pretty quick. I wanted to follow up on the communities issue and look at two things. I guess one is the implication of a number of things coming together. So, we have had the pandemic, and the immediate hit from that, and how all those other things are coming into play—we have mentioned Brexit—and the impact on communities, as opposed to the economic aspect as to the industry as a



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whole. I wondered if you had any comments to make on that and how it will affect individuals and the communities they live in. I suppose the second thing is the bit about the Fisheries Bill and the environmental impact. You have made your views quite clear on that, but equally you recognise the pressure from many constituents of all of us about environmental concerns and making fishing truly sustainable.

Elspeth Macdonald: I can certainly come in on that point around the Bill. I don't disagree with the fact that fishing should be sustainable. I think what is absolutely key, however, is that we look at sustainability rightly through the whole three pillars of sustainability, in terms of environmental sustainability, economic sustainability and social sustainability. These three pillars really have to be in balance for us to achieve what is a successful and sustainable industry with sustainable stocks. So, I think that is what we really want to see the Bill provide the framework to deliver.

I have said this on many occasions—the fishing industry has a hugely vested interest in fish stocks being sustainable, because, particularly when you look at the industry in Scotland, we have a lot of businesses that have been in families for generations, and will probably continue to be in families for generations, and these businesses have to be sustainable for the long term. That requires sustainable harvesting of our natural resources. So, we absolutely have a focus and a really strongly vested interest in fishing sustainably, but it is really important that that approach to sustainability is properly balanced.

Q393 **Liz Twist:** Is that balanced in the sense that if one falls, they all fall, or trying to maintain all three, by building—

Elspeth Macdonald: I think the first part of your question was about communities, and I think that shows, too, the real importance of the social sustainability pillar, in addition to environment and economy. It is about how we keep things in balance, so that we are not managing things in a way that the communities aren't sustaining, or benefiting from them.

Q394 **Liz Twist:** I suppose I am thinking longer-term sustainability rather than just short term. So, there were two separate issues really. One is the things that we know are going to hit, and have hit communities already, and the other is making sure that, in the long term, they can continue.

Elspeth Macdonald: And I think having the right legislative approach to our fisheries management for the future, which allows us to make sure we have an industry that is economically sustainable, we've got fish stocks that are biologically sustainable and we have communities benefiting from those two things, will allow us to keep that sustainability in balance for the long term.

Q395 **Liz Twist:** Does anyone else want to add to that?

Jimmy Buchan: I would just like to support part of what Elspeth has said. The future of building business in the processing sector all hinges on sustainable harvesting, so it is in our best interest to make sure that the policies that we are looking to implement are ones that will help



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generations of kin—our sons and our sons’ sons—to bring this industry forward. I am sure that we have learned the lessons of the past, and I am quite proud to say that we are a much better industry now than we were even 10 or 20 years ago. It is an ongoing process, but everyone in the supply chain is the beneficiary of the correct policy in the first place. The direction of travel that we are going will surely get us there.

John Anderson: I support the comments from Jimmy and Elspeth. To have a fishing fleet that has good, high economic performance, we need a sustainable, environmentally friendly fishing industry. That is clear.

Chair: I know Deidre wants to come back in. We’ll come to her in a minute, but we have not had an opportunity to hear from Mhairi Black, which we obviously have to rectify.

Q396 **Mhairi Black:** It is a rare occasion when that happens. Thank you very much, everybody, for coming to the Committee. I am by no means an expert on fishing, fisheries or anything of the sort, so please indulge me a little. Am I correct in saying that, in the event of a no-deal Brexit, we would automatically be under the United Nations convention on the law of the sea? Is that the case? Wouldn’t that essentially open up our fishing grounds to foreign fishing fleets, without any agreed limitations in place?

John Anderson: They would not be allowed to fish in our waters without an express agreement. They would be allowed safe passage, but they would not be licensed to fish. I’m pretty sure that would be in contravention of the current laws.

Q397 **Mhairi Black:** Is everyone in agreement that a no-deal Brexit isn’t a good option, and that we would rather avoid it if we can? Is that fair to say?

Elspeth Macdonald: Evidently, it would be a great outcome to get an agreement whereby we have tariff-free and quota-free access on trade, but we have to recognise that a negotiation on fishing is a very different thing. There is a balance in trade between the EU and the UK on seafood. We trade about £1 billion-worth in each direction every year. Indeed, more generally on trade, the situation is very balanced. Looking at the situation with fishing opportunities, it is extremely unbalanced. The EU fleet fishes five or six times more in our waters than we fish in theirs, and the UK in many cases—in relation to some of our key commercial species—is entitled only to a much smaller share of the stock than is actually found in our waters. There is a real imbalance that has to be fixed.

Clearly, a good outcome would be to get the right outcome on fishing, whereby we are able to control access to our waters, as John has just described; we have a much fairer share of the fish in our waters; and there is an agreement on trade between the EU and the UK that allows quota-free and tariff-free access. But these things should not be linked, and the EU does not link these issues and any of the other fishing agreements that it has with other independent coastal states.

Q398 **Mhairi Black:** Thank you. John, is there anything you want to add?



John Anderson: Yes. What we are looking to address is the imbalance in the quota-sharing arrangements that exist under relative stability, which is a feature of the common fisheries policy. We are a coastal state. Other coastal states determine their fishing opportunities internationally on the basis of zonal attachment, and we feel that we should be no different. The consequence of that is that we are pushing for what we would describe as much fairer shares of the resources within our own waters. We do not feel that our desire to do that should be conflated in any way with the fact that the trade in seafood products both ways across the Channel is roughly in balance. Fundamentally, we believe that it should be possible to achieve fairer shares of the resources within our own waters—that is the Brexit dividend for fishing—and to have a trade agreement that reflects zero tariffs on fisheries products. That is what we believe our negotiators should be able to deliver for us.

Q399 **Mhairi Black:** That is really helpful, thank you. Just to follow up from that, and I suppose in relation to Douglas Ross's comments, the bulk of the Fisheries Bill seems to acknowledge that the Scottish Government has the right to control fishing in Scottish waters, and it is similar with the other devolved nations. Where we run into a problem is that clause 12 says: "A foreign fishing boat must not enter British fishery limits" unless it has a licence, except if there is "a purpose recognised by international law or by any international agreement or arrangement to which the United Kingdom is a party." If I am reading that correctly, the Fisheries Bill is basically saying that, yes, the devolved Administrations and Governments can tweak things where they like and try to protect coastal areas and communities, jobs and so forth, but ultimately if the UK Government decide to enter into any kind of trade deal and use that as a bargaining chip, we effectively have to accept that. We cannot challenge that in any shape or form. I am interested to hear your thoughts, looking at the Bill from that point of view.

Elsbeth Macdonald: As the Government have made clear, getting a good agreement on fisheries is an absolute priority for them in these negotiations. I think that the situation that you describe is unlikely to unfold. I know also that the Scottish Government have been very closely involved in the development of the Fisheries Bill. It has been a really good example of the four Administrations working collaboratively together to develop something that they are all happy with, and the Scottish Government have recommended their legislative consent for it. We think the Bill provides the right framework for the future, and we hope to see it enacted by the end of the year.

Q400 **Mhairi Black:** Does anyone else have anything to add?

John Anderson: Not to add to that, no.

Mhairi Black: Last point, then—

Chair: Sorry, Mhairi—

Mhairi Black: Sorry, Chair. Am I allowed one more?



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Chair: Of course.

Q401 **Mhairi Black:** Thank you. This is my last question. Do the UK currently have the enforcement capacity to control access to UK waters—to the UK EEZ—at this stage, in your opinion?

Elsbeth Macdonald: The UK is currently responsible for policing our own waters. We have to do that already. It is done by the four Administrations, and Marine Scotland has an enforcement team and enforcement capability and capacity, so that already exists.

It is important also to think about the different ways in which enforcement can take place. There was probably once a time when it was wholly reliant on fisheries patrol vessels, etc. We now have aerial surveillance and electronic surveillance. There are different types of technology that will assist us and are currently assisting us in terms of the activity that currently happens. It is also important, in line with many different sectors where enforcement and compliance are an issue, that there is a risk-based approach to how you carry out enforcement activities. You will not board every vessel every day—that is unfeasible and unnecessary—but you would look at using intelligence and information to work out where the greatest risks are and focus your resources there. That responsibility currently already sits with the UK and, again, the Administrations work pretty collaboratively on that.

Q402 **Chair:** We all want to have our deep-fried haddock and to eat it. We all want to make sure that you get control over all the UK waters. We also want a deal, but it does not seem like that is going to happen. I always get the sense that it is almost like an antelope between two alpha lions who want to pounce upon the UK fishing industry. What I sense from the Europeans is that they are not going to back down on this. They want to have access arrangements pretty much in line with the CFP. Do you not feel that the UK Government are just going to—you are 0.1% in GDP of the whole UK economy, and you were appallingly betrayed in the 1970s. Is that going to happen to you all over again?

Elsbeth Macdonald: We cannot control, obviously, what anybody does or says in the negotiating room, but I think we have been very assured by the priority that the UK Government has given fisheries as part of these negotiations. They are very clear on what our position is. As John described earlier, the legal default, if a deal is not reached on fishing, is that the UK fleet would not have access to UK EEZ, and we would be undertaking all these negotiations on an annual basis without a framework agreement around that. As I say, it is not for me to—

Chair: We are trying to get in very quick questions. Sorry, Elspeth.

Elsbeth Macdonald: *[Inaudible.]*

Q403 **Chair:** Jimmy, if the UK are insistent that this is critical to the UK and to the cost of a no-deal, what then happens to all the processors and the markets and to all your members who depend upon having easy access to European tariff-free trade? What happens in that situation?



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Jimmy Buchan: I have always said that politicians are not a market. My view is that people are a market. What you have got to have is a product to sell. You need someone to sell it and someone to buy it and quality at the right price. If you have got that combination, people are the markets. We have shown that over thousands of years. That is what the market is. Politicians can try and sway that market, and we have got to accept that as a risk that is in the debate, but we are still very much focused on how this is the biggest opportunity that has come to the fishing industry, ashore and afloat, in the last 40 years. We encourage our political masters of all denominations to get behind us and support us in what will bring back fairer fishing to the United Kingdom. We can ask for no more.

Q404 **Chair:** What if this sea of opportunity ends up a motorway of misery off the Kent coast for the Scottish fleet? What happens in that situation, John?

John Anderson: I do not really know if I want to engage in conjecture. We have made our position clear in terms of what we are looking for in relation to Brexit. We think we have got a solid argument about getting a much more equitable outcome in relation to the share of our fishery resources, and all that should be deliverable while maintaining favourable trading arrangements between the UK and the EU.

Q405 **Deidre Brock:** We have been discussing Brexit. Obviously, we currently face huge uncertainties about the negotiations. We heard from Mr Barnier yesterday that we are nowhere on the fisheries issue and we are still in two opposite positions. It is not sounding terribly hopeful at the moment. There are obvious problems if there is not a deal, but there are also clear problems if the deal is not good for various sectors. I am sure you, Jimmy, would know particularly about that. We have already seen the financial sector and car building making special cases to the UK Government and getting some extra support. Have any of you been given any indication of what extra support the fishing industry might expect from the UK Government?

Jimmy Buchan: That is an ongoing conversation that we have, if not on a weekly basis, certainly on a bi-weekly basis with DEFRA and other key officials and Ministers in the United Kingdom Government. We are very much aware that everything is at a cost, and that risk is involved, but we can only lobby and challenge the Government on the issues that are important to us. I clearly believe that the two things are not interlinked—neither should they be. If I look at the Norway model, Norway has a deal with the EU, so why can't we have a deal with the EU? It is up to us to get a deal that is amicable on both sides. That is what we have always said. Each week, £1 billion of seafood travels, so anything that hurts us must surely hurt the Europeans. Do we really want to shoot all ourselves in the foot? I don't think so.

John Anderson: I agree with Jimmy's comments.

Deidre Brock: You too, Elspeth?

Elspeth Macdonald: Yes.



Q406 Deidre Brock: To carry on briefly from what Mhairi was talking about, we saw from a blog post on the Scottish Parliament's information centre provided by Professor James Harrison—you might have seen it—that also mentioned that we will need deals with other states, including Norway and the Faroes, and that we lose all the EU negotiated coastal states agreements, which brings us around again to that position in clause 12 of the Fisheries Bill that Mhairi mentioned, where all of those agreements will impact on Scotland's fishing regime, including quotas. John, given that quota management is particularly part of your remit, how do you see those deals impacting on the industry? Also, do you think that Scottish fishing communities should have a voice in the negotiations through Scottish Ministers?

John Anderson: I am sorry, Deidre, I did not quite get the start of the question.

Deidre Brock: It was just about deals with other states, including Norway and the Faroes, and about losing those EU-negotiated coastal states agreements. That brings us around to that position in clause 12 of the Bill, which Mhairi was speaking about, where all those agreements will impact on the Scottish fishing regime, including quotas. How do you see those deals impacting on the industry? Also, do you think that Scottish fishing communities should have a voice in the negotiations through Scottish Ministers?

John Anderson: There are a few different questions there. In relation to negotiations between the UK and Faroe, and the UK and Norway, my understanding is that there have been detailed discussions. They are ongoing, and they are certainly not as difficult as the discussions that are ongoing between the UK and the EU at present.

On the question about Scottish Ministers, positioning within international negotiations—did I pick you up correctly?

Deidre Brock: Certainly at the moment, yes, in the negotiations as I understand it there is little involvement, if any.

John Anderson: Currently, at December Council, which happens annually, Ministers from all over the EU come together to agree on the allocation of quotas among the EU member states. That is done at ministerial level. When it comes to coastal states discussions and the current negotiations between the EU and Norway, that is all done at civil servant level. We have consistently said that we would want Scottish civil servants leading the negotiations where the stocks under discussion are of predominant Scottish economic interest. We have been clear in that view for quite some time now.

Elsbeth Macdonald: I think fishing is a good example of where the Administrations have worked collaboratively and have really worked well together over a number of years, in terms of preparing for December Council, as John described, going into negotiations with a clear understanding of the different priorities. In my relatively short time involved in this arena, I can see that there is a good, strong and respected



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relationship between Scottish and UK Ministers in this territory and at officials level, too. I think there is a good model there. There is good collaboration already. I see no reason why that cannot continue.

Chair: Thank you, Elspeth. We are just out of time. We will leave it on that positive note that you have introduced at the end. I thank all of you. That was a fascinating session—really interesting. Thank you for indulging all our questions. If there is anything else that we need, we know that you are all friends of this Committee and we will be able to secure that from you.