

Mr Fergus Ewing, Cabinet Secretary for Rural Economy and Tourism – Written evidence (ZAU0002)

1. How will the Trade and Cooperation Agreement benefit the UK fishing industry?

Put simply, the gap between UK Government rhetoric on the Trade and Cooperation Agreement, and reality, is vast. An agreement that the Foreign Secretary called “a great deal for fishing” and which the Prime Minister said would lead to “El Dorado” was described as “desperately poor” and generating “huge disappointment and a great deal of anger about [the] failure to deliver on promises repeatedly made to this industry” by Elspeth MacDonald of the Scottish Fishermen’s Federation.

The Prime Minister claims that “for the first time since 1973 we will be an independent coastal state with full control of our waters”. The reality is that his government, and Theresa May’s before that, committed to delivering frictionless trade, full control over access to waters and a “sea of opportunity” and they failed on all counts.

The UK Government set out to achieve a return of 80% of EU quota, and annual negotiations on access, and instead achieved a return of 25%; some of which cannot actually be caught and which will take years to realise in full. As Elspeth Macdonald of the Scottish Fishermen’s Federation said in a letter to the Prime Minister dated 15 January: “You and your government have spun a line about a 25% uplift in quota for the UK, but you know this is not true and your deal does not deliver that”.

Across key fish stocks – including cod, haddock, whiting and saithe - far from having substantial increased opportunities in the future, the Scottish industry will have access to fewer of these fish than under the existing Common Fisheries Policy arrangements. And losing the ability to lease and swap quota will significantly impair the ability the fleet to operate in the complex mixed fishery in the northern part of Scottish waters.

Despite what the Prime Minister claims, the disruption to seafood exports we are witnessing is not the result of “teething troubles” – it is the result of real and permanent barriers to trade with the EU. For Europe’s biggest fish market – Peterhead – to be described as a “ghost town” shows the very real impact and scale of the disruption. Those empty halls represent people’s jobs and livelihoods.

It is nothing short of shameful that seafood businesses that have been focussed on surviving Covid-19 have been forced to deal with the simultaneous burden of post-transition trade barriers. It was in the UK Government’s gift to prevent that double economic hit by seeking an extension to the transition period, or the grace period from the new requirements that industry sought, and they refused. They must now take responsibility for that.

Not only is the seafood sector owed full and appropriate compensation by the UK Government - and considerably more than the £23m offered to only a small part of the supply chain - they are owed an apology for having been sold down the river. I do not expect that such an apology will be forthcoming, but I do expect Westminster to take responsibility for the flawed deal that they agreed to, and for fixing the chaos that it has unleashed.

2. What method or metric was used to decide how the stock allocations will change during the adjustment period?

That is a very good question and not something that has been shared or explained to the Scottish Government. There is clear confusion over the 25% increase claim which obviously isn't correct either in tonnage or value terms, and it's clearly an area where the absence of Scottish Government expertise has led to a sub-optimal outcome.

The lack of transparency and clarity on how we arrived at this end point is very concerning and an issue I was raising for many months beforehand. We do, however, feel that the 25% was a target figure set by UK Government and the negotiators had to retrofit the metric to meet it, whatever that metric is.

3. Given the importance of timing to fishing exports, have you liaised with HMRC and other parties to make sure that fish exports can get through ports quickly and without hindrance?

The repeated warnings to the UKG about the impacts of Brexit have sadly come true. Instead of the seamless export that we enjoyed as part of the single market, to get an export to the EU or NI now requires a complex interchange of processes, systems and certification involving various public and private sector organisations, all of which must work seamlessly. The just in time supply chain for fisheries products is not compatible with the 'red tape' that have been forced upon them by the poor deal the UKG negotiated.

The Scottish Government worked and continues to work with all organisations in this process. We recognised early the challenges change could bring, we worked across organisations, with local authorities and Food Standards Scotland (FSS) to register and inspect vessels, set up certification hubs, put in policies on a risk based approach to certification, that have been adopted across the UK. Considerable effort was also put into preparing business for the end of the transition period but in reality business did not know what they were preparing for until the 24th December, with three working days to implement significant changes to established business practice.

The UKG are responsible for building new systems, for catch certificates, export health certificate and customs, but there was no time to do significant testing, so they are being tested in real time with people's livelihoods and failing. The UKG's compensation scheme for system failures is an admission of their responsibility. We continue to work with UKG, HMRC, business and all others in the export chain to highlight and solve issues, issues that would not be occurring if the UKG had chosen a different approach to Brexit.

In addition, more recently the industry has sought from the UKG an agreement that there be a joint SG UKG taskforce convened in order to address the serious difficulties which they have faced in seafood exports since Brexit and how to overcome these.

4. Have Defra resolved the catch certificate challenges that were raised by the fishing industry in their letter to Secretary of State George Eustice dated 30 October ([here](#))?

a. What plans do you have to support industry with the cost of catch certificates?

That is an issue for DEFRA but I understand that the system is now running more effectively after some problems caused by the unfortunate timing of having a new system introduced at what is an already pressurised time for exporting for our industry, in the lead up to the Christmas and New Year markets.

The additional time and resources needed for exporters to complete a catch certificate - further exacerbated if you are exporting from a number of vessels - as well as the requirement for dates of landing of the vessel, not date of purchase is causing some serious issues.

5. Are you taking any steps to reinstate international quota swaps, or to mitigate the challenges UK fishers will face without them?

The Scottish Government approach will certainly be to try and mitigate these quota losses through the whole suite of annual negotiations we are involved in, by way of quota transfers, with EU, Norway and Faroe.

Given the significant quota shortfalls as a result of the Trade & Co-Operation Agreement the loss of International quota swaps has proven to be a critical weakness. The options of in year exchanges, as envisaged in the Specialised Committee, is of course a welcome element. But let's be clear; it cannot replace International quota swaps. Nowhere near. It cannot deliver 140 exchanges in year and it will not be able to deliver significant benefit as full quota allocations to vessels will have to be made well before the mid-year point, leaving very little to work with at a national level.

6. What, if any, conditions do you intend to apply to fishers in UK waters via the licensing regime?

From a Scottish Government perspective we have already incorporated our National Cod Avoidance Plan. We will consider anything further under the Future Fisheries Management Strategy and future catching policy, which we will develop in close cooperation with our industry. We will consider measures that are practical, effective and responsible.

There may be further management measures agreed as the result of the bilateral negotiations, if they are found to be necessary.

7. When will the Specialised Committee on Fisheries be established, who will be its UK members, and what information about its discussions will be made public?

The UK has not engaged us on that level of detail; it was mentioned in the exploratory discussion with EU in the middle of January, but with no formal conclusions. Given importance to Scotland I would expect, without hesitation, that we are fully involved and a lead UK member. There is an expectation that this work will start in earnest once the annual negotiations have concluded.

8. What sight will Parliament have of the position that Government takes at the annual TAC negotiations, and of the outcomes?

That will of course be for UK Ministers to consider, in SG I will keep parliament fully informed on conclusion.