



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Rural Economy and Connectivity Committee

**Wednesday 9 October 2019**

**Session 5**



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**Wednesday 9 October 2019**

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**RURAL ECONOMY AND CONNECTIVITY COMMITTEE**  
**28<sup>th</sup> Meeting 2019, Session 5**

**CONVENER**

\*Edward Mountain (Highlands and Islands) (Con)

**DEPUTY CONVENER**

\*Maureen Watt (Aberdeen South and North Kincardine) (SNP)

**COMMITTEE MEMBERS**

\*Peter Chapman (North East Scotland) (Con)

\*John Finnie (Highlands and Islands) (Green)

\*Jamie Greene (West Scotland) (Con)

\*Emma Harper (South Scotland) (SNP)

Richard Lyle (Uddingston and Bellshill) (SNP)

\*Angus MacDonald (Falkirk East) (SNP)

\*Mike Rumbles (North East Scotland) (LD)

\*Colin Smyth (South Scotland) (Lab)

\*Stewart Stevenson (Banffshire and Buchan Coast) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Ivan Bartolo (Seafish)

Jimmy Buchan (Scottish Seafood Association)

Calum Duncan (Marine Conservation Society)

Professor James Harrison (University of Edinburgh)

Elsbeth Macdonald (Scottish Fishermen's Federation)

Alastair McNeill (West Coast Regional Inshore Fisheries Group)

Mike Park (Scottish White Fish Producers Association)

Alistair Sinclair (Scottish Creel Fishermen's Federation)

Elaine Whyte (Clyde Fisherman's Association)

**CLERK TO THE COMMITTEE**

Steve Farrell

**LOCATION**

The Mary Fairfax Somerville Room (CR2)



## Scottish Parliament

### Rural Economy and Connectivity Committee

*Wednesday 9 October 2019*

*[The Convener opened the meeting at 10:35]*

### Decision on Taking Business in Private

**The Convener (Edward Mountain):** Welcome to the committee's 28th meeting in 2019. I ask everyone please to make sure that their mobile phones are on silent. We have received apologies from Richard Lyle; Christine Grahame may join us during the meeting.

Under item 1, the committee is asked to consider taking in private item 5, which is on the committee's approach to its consideration of the proposed national islands plan. Do members agree to take item 5 in private?

**Members** *indicated agreement.*

## European Union (Withdrawal) Act 2018

### Seed, Propagating Material and Common Agricultural Policy (EU Exit) (Scotland) (Amendment) Regulations 2019 (SSI 2019/289)

### Animal Health and Welfare and Official Controls (Animals, Feed and Food) (EU Exit) (Scotland) (Amendment) Regulations 2019 (SSI 2019/288)

10:36

**The Convener:** The second item is the European Union (Withdrawal) Act and consideration of the sift procedure in relation to the two European Union exit instruments that are listed on the agenda. The Scottish Government has allocated the negative procedure to the instruments. Is the committee agreed that it is content with the parliamentary procedure that has been allocated to the instruments by the Scottish Government?

**Members** *indicated agreement.*

## Subordinate Legislation

### **Seed, Propagating Material and Common Agricultural Policy (EU Exit) (Scotland) (Amendment) Regulations 2019 (SSI 2019/289)**

### **Animal Health and Welfare and Official Controls (Animals, Feed and Food) (EU Exit) (Scotland) (Amendment) Regulations 2019 (SSI 2019/288)**

10:36

**The Convener:** Item 3 is consideration of the two negative instruments that are detailed on the agenda. No motions to annul or representations have been received in relation to the instruments. Is the committee agreed that it does not wish to make any recommendations in relation to the instruments?

**Members** *indicated agreement.*

## Implications of Brexit (Fisheries)

10:37

**The Convener:** Item 4 is a round-table session on the implications of Brexit for the fisheries sector in Scotland. Today we will take evidence from a range of interested organisations and individuals. This is the second of two sessions on the implications of Brexit that the committee has undertaken, the first being on agriculture. As this is a round-table session, we will do things slightly differently from normal. First, I ask everyone to introduce themselves.

**Alastair McNeill (West Coast Regional Inshore Fisheries Group):** I am chair of the West Coast Regional Inshore Fisheries Group, which covers the area from Cape Wrath in the north-west to the national boundary in the Solway, including Skye and the inner Hebrides. A number of the fishermen's representatives around the table also have members who are members of the IFG.

**Maureen Watt (Aberdeen South and North Kincardine) (SNP):** I am the MSP for Aberdeen South and North Kincardine.

**The Convener:** Maureen is also the committee's deputy convener.

**Ivan Bartolo (Seafish):** I am regulatory affairs adviser with the Seafish Industry Authority.

**Angus MacDonald (Falkirk East) (SNP):** I am the MSP for Falkirk East. I hail from the Western Isles, so I have a strong interest in fishing.

**Mike Park (Scottish White Fish Producers Association):** I am chief executive of the Scottish White Fish Producers Association. We represent around 260 vessels and 1,400 crew.

**Colin Smyth (South Scotland) (Lab):** I am one of the MSPs for the South Scotland region.

**Jamie Greene (West Scotland) (Con):** I am an MSP for the West Scotland region, and have a strong interest in the Clyde.

**Elaine Whyte (Clyde Fisherman's Association):** I am from the Clyde Fisherman's Association; I am also a member of the Communities Inshore Fisheries Alliance.

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** I am the MSP for Banffshire and Buchan Coast. My constituency office, which is in a managed complex, is four doors down from Jimmy Buchan's office.

**Jimmy Buchan (Scottish Seafood Association):** I am chief executive officer of the Scottish Seafood Association. Our membership of 88 is primarily made up of processing and supporting businesses in the seafood sector.

**Calum Duncan (Marine Conservation Society):** I am the head of conservation Scotland for the Marine Conservation Society. I also convene Scottish Environment LINK's marine group.

**John Finnie (Highlands and Islands) (Green):** I am the Green MSP for the Highlands and Islands.

**Professor James Harrison (University of Edinburgh):** I am a professor of environmental law at the University of Edinburgh.

**Emma Harper (South Scotland) (SNP):** I am an MSP for the South Scotland region.

**Alistair Sinclair (Scottish Creel Fishermen's Federation):** I am the national co-ordinator of the Scottish Creel Fishermen's Federation, which is also a member of Low Impact Fishers of Europe.

**Mike Rumbles (North East Scotland) (LD):** I am one of the MSPs for the North-East Scotland region.

**Elsbeth Macdonald (Scottish Fishermen's Federation):** Since August, I have been the chief executive of the Scottish Fishermen's Federation, which represents eight constituent associations.

**Peter Chapman (North East Scotland) (Con):** I am an MSP for the North-East Scotland region and spokesman for my party on fishing.

**The Convener:** I am Edward Mountain, and I represent the Highlands and Island region.

We will go through a series of themes today and members of the committee will introduce those themes. We hope that that format will give everyone around the table the opportunity to say what they want to say about the themes.

You do not need to push any of the buttons that are in front of you, and you do not need to lean forward—the gentleman from broadcasting will get all that organised for you. If you want to say something, all you have to do is catch my eye—I will be working a list system and will bring you in. Once you start speaking, it is tempting to look in the opposite direction and to go on for half an hour. That is not going to work. Keep your eye on me; if I feel that you are coming to the end and I want to bring in somebody else, I will try to move the discussion on to them. There are a lot of people around the table, and although I will do my utmost to get everyone in, I will rely on your help.

Peter Chapman will introduce the first theme.

**Peter Chapman:** I welcome the panel. My theme is about confidence and resilience in preparation for Brexit. It is a very wide subject, and I think most of the panellists will want to comment on it. I will be a bit more specific. It is a broad area, but my first broad question is to ask the panellists

how involved they and their organisations are in the Scottish and United Kingdom Governments' preparations for Brexit.

**The Convener:** I should also have said that if all the people who have come here to help us with their answers look away at the same time, the last person to look away will get to answer first. Jimmy Buchan was straight in there, so he will lead off.

**Jimmy Buchan:** Good morning, committee. I am very involved, through the Scottish Seaford Association, in engaging with Scottish Government officials and attending food resilience groups. I also engage on what is now getting to be a weekly basis with the Department for Environment, Food and Rural Affairs in London. Issues are being flagged up by my members, such as whether we have enough environmental health officers to deal with the onset of certification of goods prior to despatch from the UK. In addition, I am trying to get assurances that our fresh seafood will be able to depart the UK without any problems. Those are major problems for our seafood processing sector. The problems do not relate just to Dover to Calais; there are other routes, with live crustaceans needing to go through different ports. Logistically, it is quite challenging to get the assurances and written confirmation that what we are doing is enough—certainly, that is not the feedback that I am getting from my members, and it is not what I am seeing on the ground.

**Peter Chapman:** You were quite detailed in your answer, so before anybody else gets involved in answering the question, I want to ask how you are addressing the possibility of no deal. We are hoping for a deal and we are working for a deal, but there is always the concern that no deal is coming over the horizon. Are you actively planning for no deal?

**Jimmy Buchan:** Right now, all my focus is on no deal until I am told otherwise, and no deal means that all the exports will need certification. From the intelligence that I have gathered, I am led to believe that each consignment will need five certificates. That may be doable for bigger businesses, because they will have the resources and people to deal with it, but small businesses usually work in the factory and this is all new to them. We have enjoyed free movement of goods for decades and all of a sudden there will be huge hurdles that business, and especially small business, is not or may not be prepared for. My particular focus at the moment is to try to ensure that we are as ready as we can be. However, we cannot do this alone. We need local authorities and other Government bodies to assist us right across Scotland.

There will be a huge cost to industry as well. I will digress a bit. No one knows what the labelling

will have to say if there is no deal. For businesses that are packaging, freezing, canning or preparing right now, their packaging is already made. What do we do in the event of a no deal if, all of a sudden, we find that the labelling is no longer relevant? That will be a huge cost to business and will mean a huge interruption to the flow of the goods.

10:45

**Elsbeth Macdonald:** Since I joined the federation in August, a significant amount of my time has been spent on Brexit-related work, as I am sure everyone will appreciate. The federation has been very clear since the referendum that it sees great opportunities for the fishing sector—the UK will no longer be in the common fisheries policy—and that there is the potential to as much as double the raw material that the industry is able to catch and make available to the processing sector. It is clear that all parts of the chain should benefit from that opportunity in future.

Of course we fully recognise the challenges that a no-deal exit represents to the processing sector, as Jimmy Buchan has set out—I am sure that others will also set that out today. We are working as hard as we can with Jimmy Buchan and others to address those challenges.

In response to Mr Chapman's question, we are working closely with the UK Government and the Scottish Government. In fact, Jimmy Buchan and I will both be at a meeting this afternoon to talk to officials from both sides of the border about the practical arrangements that will be needed should we find ourselves with a no-deal exit.

I think that it is important that we recognise the challenges in the short term, but that we also look at the opportunities that there may be in the longer term from which the whole supply chain can benefit.

**Stewart Stevenson:** Like others, I have received a briefing from Aberdeenshire Council environmental health. It says:

"It is now anticipated that EHC numbers"—

that is, export health certificate numbers—

"may well be numbered in the 1000s as opposed to the 100s per week as initially anticipated. There is a very real risk that this level of demand could outstrip the capability of the Service to deliver. Much will depend on the anticipated DEFRA on-line application portal being functional at an early stage, ideally by 31st October, but this appears to be a forlorn hope."

Are colleagues around the table able to provide any update on DEFRA preparedness for the industry when it comes to making the applications that they will have to make for health certificates?

That is what the council is saying to me and to others.

**Alistair Sinclair:** I agree with much of what Jimmy Buchan said. We are aware that, in respect of the live product—for which time is crucial, of course—we will need documentation about catch, health, customs, invoices and tariff invoices that will all relate to the individual load from each boat—whichever boat has landed the product will have to have documentation as well. We are talking about five documents.

In speaking with processors, I have been assured that DEFRA does not know what is going on just yet—I got that information this morning. As far as employment is concerned, the environmental health and veterinarian people do not have the human resources to give us the paperwork as and when we require it for the live product. We could be looking at a two-day hold-up to get that paperwork, and as we are dealing in a live market, many people will go to the wall.

**Elaine Whyte:** Peter Chapman's theme is resilience. Some fishermen come from areas that have very poor connections: they are very distant, which is a massive problem. We cannot build resilience just like that. At the moment, it can take them two and a half hours to drive to the local council to get their certificates to export, so they have that problem already. They are looking at the prices going up: in Glasgow, they would have to pay £96 per consignment. Everyone is entirely right about the lack of environmental health officers. That is something that we are worried about.

The catch certificates issue is also really important. We had an email this morning from a processor who has three to four months' worth of frozen stock that all came from different boats. He would have to label all that differently—it would be impossible to do the paperwork that is required.

People are not sure whether the DEFRA system is functional because it is on a dummy run at the moment. I echo everything that Alistair Sinclair has said; it is very concerning.

On resilience, we have not yet mentioned the tariff situation with Northern Ireland. If Northern Ireland has a different rate from Scotland, we will have a massive issue, because the same product that has been fished in the same area, more or less, will be available without those tariffs. Processors feel that people may move towards the Danish market or the Irish market, or even the Argentinian market. That is a massive issue.

We also still do not know about port status and the capacity to deal with the amount of product that will go through.



The thing that we have always been worried about is direct action and mitigation against direct action, because even if we have everything in place, we feel that there may be some kickback, with people stopping lorries and so on. That could be catastrophic. Our fleets are family boats and they do not have the resilience to be tied up for three or four weeks. We will lose a lot of people.

**Peter Chapman:** I want to investigate that a wee bit more. I have heard that there are plans to set up central depots where one lorry can be filled from various—two, three or four—processors, and that only one certificate would be needed for the whole lorry rather than a certificate for each consignment. The lorry would then be sealed and it could go straight across the border. That would simplify a lot of the problems that Elaine Whyte and Jimmy Buchan have highlighted. I have heard that that measure is well on the way to being put in place, but what are your thoughts on where we are with that?

**Elaine Whyte:** Last Friday, we had a meeting with Fergus Ewing in which a central hub in Lanarkshire was discussed. However, there are still massive capacity issues there and we are getting conflicting advice on whether each boat will have to provide its own catch certificates. If somebody has lots of frozen stock that came from different boats, it would be impossible to go through all that.

We are still very concerned about the situation, but we have not written off a solution to it being found.

**Jimmy Buchan:** I highlight that a hub is being set up at Larkhall, which will help to alleviate some of our problems. It is being run by DFDS, which is great—we encourage and applaud that—but that does not solve the problem for independent operators, because DFDS does not have the interest of independents at heart as it is a trader itself. There would be a conflict of interest if one company had to choose between sacrificing their own wagon as opposed to a competitor's wagon.

The hub will not solve all the problems, but it may absorb some of the capacity issues. We need something somewhere else in Scotland. If we try to put everything through one hub, it may not be able to cope, especially at peak times pre-Christmas. That is a real concern for me and my members.

To go back to the tariff, I highlight to the committee that, in the event of a no deal, mackerel—Scotland's largest, most valuable stock—would be subject to a 20 per cent World Trade Organization tariff. Scotland's processors will not be competitive against Scandinavian processors in a global market. That is a fact; that is the reality. We will be displaced and our

fishermen may be forced to land outwith the country. We need to be very aware that there is a real risk here.

**The Convener:** A whole heap of people are queueing up to come in.

**Maureen Watt:** My understanding is that Scottish businesses applied for 680 hauliers permits but have received only 48 so far. Are you saying that DFDS has got most of those permits?

On landing outwith Scotland, what percentage of the catch of Scottish boats is landed abroad?

**Jimmy Buchan:** I do not have the exact figures at hand, but Larkhall will be facilitating quite a lot of the fresh salmon produce, which is really important to the Scottish economy. The bulk of the whitefish—the wild caught fish—is landed and processed in the north-east and therefore leaves the north-east. However, the weather can be instrumental in what happens next. If there is going to be bad weather down the west coast into England, sometimes the lorries from the north-east will take the east coast route to avoid it. Putting a hub in the wrong place will not always be for the greater good of the industry logistically.

**Ivan Bartolo:** Seafish has been collecting Government and industry advice, bringing out the seafood-related parts of that advice and putting it together. We are aware that there will be problems with export health certification simply because there are not enough certifying officers.

We were involved with the hub model. It is true that it will not be a solution for everyone. To go back one stage, even before the health certificate is issued, every establishment that sends seafood abroad to Europe has to be approved by DEFRA and the Food Standards Agency. Not every establishment meets the approval criteria. For example, some of the exporters are not even physical buildings; they are just lorries that are collecting live shellfish to be sent abroad. Those cannot be approved, and that is a problem.

**Alistair Sinclair:** I am aware of one merchant in particular who ships two—maybe five—lorries a day to the English Channel. We know that the supply chain will be affected one way or the other. Being members of the Low Impact Fishers of Europe, our biggest cause for worry is, because those guys will be denied the opportunity to fish in the southern North Sea, they have promised that there will be large demonstrations. You know how the farmers in France demonstrate. If those guys adopt a similar approach, the low impact fishermen, who supply live shellfish to Europe, could go out of business overnight.

**Mike Park:** First and foremost, I will answer Maureen Watt's question about how much fish is landed overseas. In 2018, 153,000 tonnes of

mackerel landed, of which 79,000 tonnes was landed overseas. A quick calculation is that that accounts for a high 40 per cent of that one stock, and that is the major one.

I represent the catching sector. You would imagine that our focus is on the sea of opportunity, the post-Brexit coastal state negotiations and achieving greater shares in a number of our key commercial stocks not only in pelagic species, but in common species that we all eat such as haddock, cod, hake and saith. We are not ignorant of the issues of disruption that could happen in the marketplace. I fished for 30 years and even a big snowstorm that increased the time of getting fish to the channel would reduce the prices by 20 or 30 per cent. We are all aware of the distortion that that creates.

The big problem for us is not so much the tariffs, but the non-tariff barriers. Alistair Sinclair just mentioned disruption at the channel. I was part of the scallop war negotiations last year. We all saw what happened there; it does not take much to trigger an incident.

I think that it is useful that we keep an eye on the situation, but, for my sector, our confidence is in the post-Brexit situation and negotiating additional shares over years and, indeed, new fixed shares. That said, we understand that there will be some hiccups as we come out, although we hope that those are not so great that they disrupt businesses and create business failure. At the end of the day, no one wants business to fail.

**Calum Duncan:** Thank you for inviting me. To answer the first question, we are engaged with the Government's rural and marine stakeholders group discussing Brexit. MCS is also a member of Greener UK, so we are in discussion with DEFRA at the UK level about all this. Our concern is that, whatever the outcome, we do not want environmental standards to drop. For all its flaws, the common fisheries policy has improved the sustainability of stocks—in 2005, more than 90 per cent of stocks were overfished, which has dropped to about 40 per cent. Whatever new arrangement comes down the line has to be at least as good as the current one and we would want an opportunity to improve on that.

11:00

The theme of this part of the discussion is confidence and resilience. I appreciate that we have to deal with the immediate, but this committee should also be aware of the implications of the recent climate change reports, including last week's report on the ocean emergency, which shows that the ocean ecosystem is losing resilience. The ocean has absorbed more than 90 per cent of the extra

warming since 1970, surface layers are becoming stratified, nutrients are depleting and oxygen levels are depleting by as much as 3 per cent.

I urge the committee to think about the urgent planning that is needed to achieve a net zero fisheries sector as well. We need to increase our ocean resilience in order to keep receiving the benefits that the ocean provides in seafood. We need to consider that wider context.

**The Convener:** That neatly leads on to the next theme, which Jamie Greene will lead off on.

**Jamie Greene:** Good morning, panel. The theme that I would like us to look at is access to waters and the post-CFP environment. There are two distinct areas to access to waters: one is Scottish vessels accessing EU waters and the other is foreign vessels accessing our waters. We should look at this in the context of where we are. We have had this conversation many times before, but if we are looking at a scenario in which we leave the EU and do not move into a transition period or any continuation of the common fisheries policy, where does that leave us?

I open that question out to the panel. I have some specific questions for Elspeth Macdonald, but I will park those for now; I want to ask her about her organisation's view on the post-CFP environment, but I will do so after we have talked about access to waters specifically. I would like to explore panel members' ideas on how they see any negative or positive consequences of leaving the EU without a withdrawal agreement.

**Professor Harrison:** I will provide a broad, general picture that other people might be able to have specific input into. When we become an independent coastal state, whether on 31 October or at some other time, we will have control over our territorial seas and our exclusive economic zone and there will be opportunities to decide who gets access to what stocks and in what areas. That will be the product of negotiations. The two sides of the issue that Jamie Greene raised—foreign vessels' access to Scottish waters and Scottish vessels' access overseas—will be linked in those negotiations. Most access agreements in the north-east Atlantic are reciprocal in some way, but the precise balance of access is something to be negotiated. It can also often be linked to the quota issues. A point that has been made often is that it is a bargaining chip in our favour that we increase our quotas in those negotiations by using access as a lever, but it will also be linked to trade.

**Jamie Greene:** Can I ask a technical question? A lot of what you are talking about is conjecture based on future trading deals. What is the default reciprocal position on 1 November, in terms of the law and access to waters, if we leave the EU without transition or a withdrawal agreement?

**Professor Harrison:** The London Fisheries Convention that gave access to territorial waters for certain vessels has already been put aside and that will not apply. There will be no access to vessels in the 6 to 12 nautical mile zone. At the moment, EU vessels' access to the exclusive economic zone will not be permitted without some kind of explicit access agreement. I believe that the UK Government and Norway have agreed recently that they will continue to allow reciprocal access based on existing arrangements for the rest of 2019 but that further arrangements will have to be negotiated for the following fishing year. I do not know whether there are negotiations with the Faroe Islands on similar lines. The key issue is that the EU fleet will not have access on 1 November if we leave the EU at that stage.

**Mike Park:** From an industry perspective, if we crash out on 31 October, our understanding is that there is a continuity agreement with Norway, so we will get entry into Norway's waters. As it stands, there is no continuity agreement with the EU and, unless we had that in place, we would have to remain outside EU waters; similarly, EU vessels would remain outside our waters. Immediately we would enter into what we class as coastal state negotiations, where the UK would be a coastal state in its own right, along with the EU, Norway and the Faroe Islands, although these may be in bilateral or trilateral discussions. During those discussions, we would negotiate a level of access for the following year, which would be 2020. Those could be protracted or short discussions, depending on the enthusiasm to reach a deal within the room.

We know that access will feature large in those negotiations. That is pretty much our trump card. In some cases, access for EU vessels or whatever other vessels will be determined by the amount of opportunities that they have to catch in our waters. That is a very simplistic view of it but, as far as industry is concerned, this is a binary thing. Once we are out, they are our waters, we negotiate access for others and it is as simple as that. Obviously, there are legal stipulations through the United Nations Convention on the Law of the Sea and other international agreements, but for us it seems relatively simple.

**Maureen Watt:** Will those negotiations simply be about access to waters, or will they also include access to markets? If we have no market, there is no point.

**Mike Park:** It is our position that the fisheries negotiations should not be attached to any trade agreements. If nothing else, that takes away from our right to negotiate what I would class as a sensible and reasonable deal. It has always been the industry's position that fisheries negotiations should be about fisheries. Although we understand

that, in the discussions between Norway and the EU, fisheries and trade issues are aligned, it is our position that we do not want to see that. We have been resolute in that position since everyone started discussing Brexit.

**Professor Harrison:** I understand that that is Mike Park's perspective, but clearly the EU perspective is that those things are fundamentally linked. They were linked in the backstop and they have been linked historically in the European Economic Area negotiations. There are many precedents that we will be pushing against if we are trying to get to the position that Mike Park just explained. That is the challenge.

**Elaine Whyte:** It is hard to say that there is an industry position, because there have been varied views since the beginning. We have always accepted that, although trade and access may not be linked, there will be a practical negotiation and it will be an on-going thing. We have to acknowledge that it will probably be difficult to totally disconnect them in the practicalities of how business is done.

My chairman went to Iceland at 14 on his first fishing trip on one of the distant water fishing fleets that we had leaving from the west coast of Scotland; we do not have those so much any more. In the long term, there may be opportunities, depending on how we manage access to waters all around the coast for different types of fishing boats, if we can get over the hurdles that we have mentioned, which are intense and very great. Most of my fishing members did not complain an awful lot about EU access. Some of them on the west coast complained about the Spanish boats, which in fact could technically be UK boats under a UK flag, landing an awful lot of monkfish or megrim, while they could not land anything. That was, of course, frustrating for them, but domestic policy has probably impeded a lot of coastal communities more than this deal.

We are concerned about what will happen if the quota comes back in. Extra and new quota are two different things. Quota that comes back in through the fixed quota allocation system will go to whoever owns quota at the moment as a percentage. It will be difficult for new people or coastal communities to get the benefit of that, unless it is top-sliced and so on, so they may be disadvantaged by that. Although we respect any investment that anyone has made until now, what comes through the FQA system should be looked at very closely.

When we talk about distributing up to 50 per cent of the quota to coastal communities, that is from swaps that come in through negotiations. What worries us is that there will be a lot of French, Spanish and various other international people who will be displaced from the areas that

they are fishing now. That means that they will be looking for the same types of stocks that a lot of coastal communities might be able to go to. Coastal communities that are fishing for shellfish will potentially lose their markets but not have much scope to go to some of the other stocks that are in their waters, because those are being used as a tool in negotiations. I want to flag up those issues.

**Jimmy Buchan:** Although things are very political, I do not see a market as being politically driven. A market is about a buyer and a seller at the right price with the right product. I think that the market is there. Scotland's seafood is the best in the world and we are in a great position, regardless of who our market is. Yes, our natural or nearest market is very close to us, but we have great seafood and we should not be drawn in politically on where the market is. People are the market.

**Jamie Greene:** Thank you for those comments. I would like to align myself with that very positive statement. There was an excellent programme on the BBC the other night on this very specific issue and, for example, the growth of the Chinese market. I was flabbergasted by how much the price of brown crab had gone up in the past couple of years as a direct result of a new market opening up.

That segues nicely into my questions for Elspeth Macdonald. You have been very publicly vocal throughout this debate around a post-CFP landscape, using phrases such as, "CFP hampers our fishing", the commonly used "sea of opportunity", and "everyone ... stands to benefit". Those are very top-level statements to make in the media. It seems sometimes that you are the only optimistic voice in the room when it comes to fishing and Brexit. Could you substantiate some of those comments?

**Elspeth Macdonald:** Yes, certainly. As I said in my first comments, there is the potential to double the raw material that the catching sector in Scotland can catch. As has been discussed around the table this morning, clearly there is a huge amount of detail to work out on how that opportunity is achieved and determined and shared within Scotland. There is a long way to go with this. It has been very important for the federation to continue to make the case for why there are opportunities for the industry in leaving the CFP. At the moment, 60 per cent of the fish that are caught in UK waters are not caught by the UK fleet, whereas the UK fleet catches only 11 per cent of its fish in other EU waters. There is therefore a significant imbalance to redress and that presents opportunities for the Scottish catching fleet, the processing industry and communities.

I do not discount the amount of debate and discussion and detail that still has to be gone through on how that opportunity is achieved and determined, but we should not lose sight of that significant opportunity, that significant prize of, as Jimmy Buchan said, being able to catch more of this great Scottish seafood, for which we have markets around the world. I saw that programme on Monday night and it was fascinating to see how that seafood trade works.

11:15

It is also important to remember that those markets want our fish. There are 5,000 people employed in Boulogne-sur-Mer who depend on Scottish seafood imports into France. They have been on various visits to Scotland in recent months, understanding where we are coming from and helping us to understand their perspective.

The federation has been focusing on continuing to make the case for why this matters and why there is a huge opportunity here, but there needs to be a lot more work to determine in detail how that happens. That is where things such as the Scottish Government's "Future of Fisheries Management: National Discussion Paper", are very helpful. That sets out some of the ideas and the thinking around how we will manage fisheries in Scotland in future. Also there are UK Government interactions in this, because the UK Government is very much in the frame on the international negotiation side.

There is a lot to be done, but there is a lot to be achieved. There is a huge amount of focus at the moment on managing the consequences of a no-deal exit. A lot of that effort is around how we deal with the processing side, but we have to move into the discussions about how we achieve benefits for the longer term.

**The Convener:** About half the people around the table want to come in on the back of that. Let us see how we can do it. If committee members keep their questions short, we will see how we go.

**Stewart Stevenson:** At 7.15 this morning I had an email from a catching company—it has an annual profit of £20 million, so clearly it is a substantial one. It is a bit less optimistic than Mike Park about 20 per cent tariffs and the benefits that flow from an increased catching capacity while supporting quality. It specifically said that, with tariffs of 20 per cent on 1 November, it will no longer be competitive and that the market

"will close to us and we simply cannot switch to others. That will be extremely difficult for Scottish processors to address. The UK Government's approach to Brexit will cause damage to our industry on/offshore."

I say that simply to show that there is not a single voice on this. That is a major company with high

profits that is deeply worried about a no-deal Brexit in particular, which is what is being focused on here. I wonder whether that voice is one that others are hearing from catchers. That is one particular major company.

**The Convener:** I make the observation that, if that was a short question, the rest of the committee should not follow that lead.

**Elspeth Macdonald:** I said to somebody in a radio interview this week that there are as many views on Brexit as there are fish in sea. I think that that is right—there are mixed views and very wide-ranging views.

Jimmy Buchan and others have spoken about the consequences of a no-deal exit. Tariffs are certainly part of that. Mike Park has also articulated the concerns and risks around non-tariff barriers. There could indeed be significant tariffs on some fisheries products—they are not as bad as those for some products in the agriculture sector, but they are significant nonetheless. That is recognised. There are varying views on the risks and opportunities that Brexit presents.

**Mike Rumbles:** I have a very short question, just for a point of information. If ships or boats at sea land their catch in European ports, do they face a 20 per cent tariff barrier? If they land them in Britain and export them, they face the 20 per cent.

**Ivan Bartolo:** The 20 per cent tariff applies to mackerel, which is an important Scottish export of course. Yes, they will have to pay the tariff. If they land in Norway, there are zero tariffs for mackerel, but if they move it into Europe, that fish will be struck by the European 20 per cent tariff.

**Mike Rumbles:** Why are we worried about more boats landing their catch in Europe if the tariff will be the same?

**Ivan Bartolo:** We are worried about tariffs because they are an extra cost.

**Mike Rumbles:** But why are we worried about that issue if the tariff will be the same? Perhaps Mike Park could answer that question.

**The Convener:** I assume that processors will start to put their hands up.

**Mike Park:** The vessels that I represent would start landing into Europe if non-tariff barriers caused a detrimental decrease in the price at the market. We land on to the market for auction. The minute demand lessened because of a choke at the Channel, we would live on a limited resource with the amount of fish that we can land. The opportunity would be in getting a good price in northern Denmark, for instance. That would mean that our vessels would land overseas. We would see that as temporary, not a permanent, feature.

**Peter Chapman:** I have a question on the same issue. I am trying to look a wee bit wider than just the European market. We have already heard how big the world market is for mackerel and other fish. There is a huge mackerel market in Japan, for instance. Will the focus be much more worldwide rather than on the European market if we have 20 per cent tariffs? How easy is it to shift those mackerel somewhere else to another market, which may even be a better one? The brown crab market has shown exactly that. There might be a better market than what we are focused on now. How easy is that to do?

**The Convener:** I want to try to bring somebody else in on that. Can Jimmy Buchan answer that question? If not, I will give it back to Mike Park.

**Jimmy Buchan:** My understanding is that, if a vessel landed its mackerel in Norway, Norway is part of the EEA and therefore it would trade freely with the rest of Europe and there would be no disadvantage. However, I will stand corrected on that; that is my understanding, but that might not be the case. If we buy mackerel in Scotland, process it and then export it, we will have to abide by the WTO rules. There would be a 20 per cent tariff on mackerel. Therefore, our Scottish processors would be immediately disadvantaged.

There is a scenario in which people are commercially driven to a better market, but there are risks involved if we cannot get assurances for fresh fish. There are two scenarios for why we would need to export through the UK or land into another European country. White-fish vessels could land in Denmark, for example. There could be an advantage for a vessel in landing its catch there but, economically, Scotland and Scotland's fish would be the ultimate losers.

**Emma Harper:** My question is probably aimed at Elspeth Macdonald and Alastair McNeill. We are talking about the catching sector, but there are the wee, under-10m fishing boats, which will be completely impacted by getting their produce on land and produced. Some 85 per cent of the catch from Kirkcudbright goes to the EU. That is a big concern for not just the big guys but the wee guys, as well.

**The Convener:** I will bring in Alastair McNeill on that. Trust me, I have everybody's fingers and pens recorded for the questions. It is a matter of trying to get around everyone. Elaine Whyte will have to bear with me.

**Alastair McNeill:** Thanks for that last point. I will also pick up on Stewart Stevenson's point.

Kirkcudbright was mentioned. Kirkcudbright is the sixth largest port in the UK in respect of the monetary value of landings for scallops, so it is a significant port. Emma Harper's point is relevant. I represent a lot of small, one-man vessels on the

west coast, which are often from very fragile communities. Stewart Stevenson gave the example of a company that makes £20 million. The guys I represent do not make as much on a day-to-day basis, but their main concern is that they could lose their fishing stock—the live catches and shellfish that they catch. If that market goes for reasons that we have already discussed—transport delays or the need to get certification, for example—they would have to try to diversify.

This is where the problem lies. At the present time, they cannot diversify because they cannot get quota. We have been trying to do that in the Solway, for example. It is extremely difficult for people to get quota at the present time. Moreover, a lot of the boats are small vessels and they cannot steam very far, so they are restricted to fishing in areas around where the people live. There are huge concerns among those guys that a lot of them will basically go to the wall if some of the worst fears about transport and certification issues become a reality.

**The Convener:** I ask people to keep their answers as short as possible.

**Mike Park:** That is difficult, because I had three answers to give for three questions, and I have not got in yet.

I want to go back to the first point that Elspeth Macdonald made. We are a constituent member of the SFF. Elspeth Macdonald made a point about who catches what in our waters. Let me give members an example. Norway catches 85 per cent of the sustainable harvest in the waters, Iceland catches 90 per cent, and we get 36 per cent. There is a clear imbalance there.

We make no apologies in the catching sector for setting out our positions through debate, because other areas are setting out their positions. The difference is that I understand that we have a potential gain. Those in the inshore sector who do not get an allocation, which is subject to international negotiations, have nothing to gain. We get that, but we make no apologies for emphasising our position in the debate because, if nothing else, it balances the debate, and we should never fear debate.

No one has mentioned another point about international markets. The Scottish industry is very much focused on sustainability, sustainable practices and quality of product. We do not fear selling that product into the international market because, if it is a quality product and is sustainable, people will receive it. I think that, in the case of nephrops and Scottish langoustine, around 60 or 70 per cent of the world's supply comes from the UK, so we are not really that concerned about them.

Stewart Stevenson referred to an email that he received from a company that made £20 million. I do not know what company that is, but I can make assumptions. I assume that it is a vertically integrated company that is making a point to Stewart Stevenson in the debate, but its other half is lobbying to get a bigger share of the resource when we come out of the EU. I guess that the company has a decision to make.

**Stewart Stevenson:** It is in the catching sector.

**Elaine Whyte:** The nephrops tariff will be 12 per cent. For small family boats and medium-sized boats on the coast, that is a quite substantial extra. Some boats might look to land in Northern Ireland if it has a different set-up. I think that we will see infrastructure and communities suffering because of that.

We are talking about small concerns. It took about 30 to 40 years for a lot of our individual fishermen to develop markets in the EU. To go and do that in the far east, for example, is no small feat. I know that, at the moment, there are two large frozen consignments of nephrops in China that are just about to go off. Things are not quite as easy as everyone would make out for every single stock, and we should be aware of the practicalities. Obviously, with livestock or frozen stock, the price will go down and the profit margins will be much reduced.

**The Convener:** Well done for ignoring me and pushing on. I am conscious that we have much to get through. Calum Duncan can say something before we go on to the next theme.

**Calum Duncan:** In response to the original question about access, our concern is that, whatever the arrangement is post-EU exit, environmental standards in Scottish and UK waters are high, and that any boats that get access to them should operate according to those higher standards.

To pick up briefly on my previous theme, the concern is that we are failing by every measure of environmental health and biodiversity health that we have. We will fail good environmental status targets and sustainable development targets next year. The Intergovernmental Panel on Climate Change identified that, along with climate change, overfishing has been the biggest driver of biodiversity loss at sea over the past 40 years. However, there is an opportunity to make fishing sustainable within environmental limits, which contributes to increased ocean resilience. That will also increase the resilience of fish stocks to climate change and provide sustainable benefits for coastal communities.

11:30

**The Convener:** That leads neatly on to the next theme, on which Angus MacDonald is leading.

**Angus MacDonald:** I will move the debate on to the risk of conflict under a no-deal Brexit and enforcement capacity. We have heard concerns in recent weeks regarding enforcement capacity, not least the DEFRA memo that was mistakenly emailed to the BBC that revealed uncertainties about the UK's capacity to patrol fisheries after a no-deal Brexit. Of course, in Scotland we police our own waters, but how concerned are your organisations about potential disputes between Scottish and foreign vessels over fisheries access in the event of a no-deal Brexit? Are you satisfied that there is sufficient capacity for fishery patrols in Scottish waters to patrol our territorial waters and deal with conflicts arising at sea?

**Mike Park:** That is an extremely interesting question. Some reports in the media recently would suggest that we are just going to put the navy out there and that will sort it. However, monitoring of fishing fleets is new age; it is not just about vessels in the water. We know where every fishing vessel is, so it is not a game of chance when a fishery protection vessel goes to sea. He knows the vessel he is looking for and where it is, and the chances are he knows the activity that it is participating in.

We also have aerial coverage and very good infrared cameras, and those pictures are now fit for court, basically. If we couple that and support it with a useful consequence—a reasonable size of fine—I imagine that very few people will be willing to break the law.

**The Convener:** What is a reasonable fine?

**Mike Park:** It is not up to me to decide what reasonable is, but I guess that it has to be at a level that deters people from infringing and from negative and illegal behaviour.

**The Convener:** Would it be thousands of pounds or hundreds of thousands?

**Mike Park:** It has to be reasonable and in line with the earning capacity of the vessel.

**Stewart Stevenson:** For information, there was a £1.2 million fine in Shetland in recent years. There is no limit.

**The Convener:** That is helpful.

**Elsbeth Macdonald:** To add to Mike Park's points, the European Commission has been a strong champion against what is known as illegal, unregulated and unreported fishing. Member states are expected to exemplify that behaviour and not to undertake fishing that is illegal, unregulated and unrecorded. We fully expect that, in the event of a no-deal exit, the European

member states would continue to meet that requirement.

On fines, it is clearly important that penalties are set at a level at which they are a sufficient deterrent. I believe that, for example, vessels that fish illegally in Norwegian waters are hit with penalties that are a sufficient deterrent to ensure that they do not do it again.

**Professor Harrison:** I have a couple of points, one of which builds on Calum Duncan's point about environmental standards. Clearly, we would be not only controlling access but setting the conditions of access in the future for any vessel coming in, so we would be able to ensure that there was a level playing field for foreign vessels and British vessels in our waters, but that needs to be enforced. The document produced by the Scottish Government earlier this week on no-deal Brexit planning essentially said that it realises now that it does not have sufficient resources for compliance, and it has bid for more resources specifically for that. The Scottish Government's view is that only if that additional resource is given by the UK Government will we be in a fit state to police our waters. I think that, at the moment we do not have sufficient enforcement capacity.

It is not just about vessels at sea; it is about the capacity to deal with prosecutions if vessels are caught and to process that evidence and ensure that the courts can deal with the very complex legal issues in maritime enforcement. It is important to look at enforcement capacity in the round.

As the Scottish Government also pointed out in that no-deal Brexit document, Marine Scotland compliance is not responsible for policing civil unrest at sea. It is there to enforce fisheries and marine environmental laws and does not have responsibility for dealing with conflicts between vessels—that falls to the UK. That is another thing that we need to bear in mind. It is a UK issue, and we need to ensure that the UK Government is prepared to deal with any potential unrest.

**Calum Duncan:** To build on what James Harrison said, we share concerns about enforcement and compliance capacity. That is an issue that I have brought to Parliament before in talking about preventive spend for biodiversity protection and whether we have enough capacity to patrol and police our waters. Of course, the ideal is self-compliance and self-policing, where everyone in the industry sees the benefits of abiding by the regulations, getting the quota allocation, rewarding sustainable practice and so on. That is the ideal, but we will still need compliance and enforcement capacity.

To qualify what Mike Park said about all vessels having vessel monitoring systems, those are still

not in place for many smaller vessels, which is why we welcomed the commitment in the programme for government of £1.5 million to roll out VMS on smaller vessels. We urge the Government to do that as soon as possible, because there have been some quite high-profile suspected incursions into marine protected areas, some by bigger vessels with VMS and some by vessels without it. There are often issues with levels of evidence in taking cases forward. We all want fully documented fisheries so that the vast majority of fishers, who are law abiding, can benefit and get their quota and market advantage as a result.

**The Convener:** Thank you for that clarification. I am sure that we have all had emails from people who suspect that boats are in areas where they are not supposed to be.

**Alistair Sinclair:** Most of the conversation so far has related to offshore fishing and the offshore fleet, which I agree is to be applauded, but Marine Scotland is unable to police the inshore waters as matters stand. There have been numerous incursions within the marine protected areas around the coastline of Scotland that were hard fought for by me and many others such as the Coastal Communities Network. Until Marine Scotland properly addresses the inshore situation, how in the name of the wee man are we going to police the offshore waters?

**The Convener:** We will leave that thought there. Peter Chapman, wants to come in, and then I will come back to James Harrison.

**Peter Chapman:** A lot of those issues come under the United Nations Convention on the Law of the Sea, which states:

"Where the coastal State does not have the capacity to harvest the entire allowable catch, it shall, through agreements ... give other states access to the surplus".

That is the international law and it is fairly obvious. I think that Mike Park and Elspeth Macdonald are the ones to answer this question. How do you see that law operating in a post-Brexit scenario? On day 1, I do not suppose our own fleet can catch the total catch.

**The Convener:** Before we have responses to that, I want to bring in James Harrison, because I suspect that he has a legal point to do with enforcement.

**Professor Harrison:** I do, but I can respond to Peter Chapman's point, too. The convention says that states should allow access where there is a surplus of the total allowable catch. Under the convention, states have significant discretion in relation to how high to set the total allowable catch and how to calculate their harvesting capacity, so we are not talking about very rigid legal rules. I emphasise that many of the stocks involved are

shared stocks. The management units of some of them might be completely within our waters, but many are transboundary in nature, so there will need to be some kind of co-operative arrangement in setting total allowable catches for many of the stocks. We might get on to that issue later.

I emphasise Alistair Sinclair's point about inshore waters. It is true that there are significant challenges in policing inshore at the moment. With Brexit, there will be strategic questions about how we allocate enforcement capacity throughout our waters. Even the inshore waters are about to get more complicated, because there are proposals for many more management measures for MPAs to be put in place soon and proposals to increase management measures for priority marine features. Those measures will also need policing, but we will still have the same enforcement capacity as we have had for the past 10 years before all those new regulations were brought in. We need to ensure that enforcement keeps up with regulation.

I have a final quick point on VMS. I agree with Calum Duncan that the smaller vessels are not required to have VMS. However, VMS data from the larger foreign vessels is sent to the flag states and at the moment we benefit from co-operative EU arrangements through which we can access that data because we are a member state of the European Union. My concern is that, after Brexit, we will not necessarily have the VMS data for foreign vessels, so how will we know where they are?

**The Convener:** I am sure that the committee will ask the cabinet secretary about inshore fisheries when he comes to the committee, because that was the subject of a suggested bill in the Government plan for business.

**Mike Park:** To pick up on the point about seeing where vessels are, for me, that is about the conditions of access. Everyone sets their conditions of access and one such condition would be that the vessels are visible to the coastal state, which is the UK, so I do not see that as an issue.

What was the original question, Mr Chapman?

**Peter Chapman:** It was about what to do if there is surplus that our own fleet cannot catch.

**Mike Park:** I will be clear about the fleet that I represent, some of which operates inshore, although it mainly operates offshore. There is a huge amount of latent capacity—we have the ability to catch more fish, so we do not see that as an issue.

However, we should understand that, as we move into the post-Brexit situation, we will not get everything at once. It will be a generational shift through negotiation to get to what we would class



as new fixed shares. At present in Europe, we have what is called relative stability, under which everybody has a fixed share based on history. Over time, we will move to a new fixed share based on a number of informative criteria, one of which will be zonal attachment. In getting there, however, there will be annual negotiations in which, for instance, France gives us some saithe in return for access to our waters to catch other fish. Those negotiations will go on. It is not a doomsday scenario where we crash out and we have everything to catch but we do not have the capacity, so we call in Norway or the EU to catch that for us and jointly manage the fisheries. That scenario does not exist. There will be an incremental shift to an end point, which will be new fixed shares that will resemble zonal attachment in terms of the 85 per cent and 90 per cent.

**The Convener:** Elspeth Macdonald can come in, but very briefly, because I would like to move on to the next topic, which will be led by Stewart Stevenson.

**Elspeth Macdonald:** I will be brief, because Mike Park has made most of the points that I was going to make.

In relation to how we get to the point that Mike mentioned through the incremental increase in opportunity for Scottish industry, and to come back to the points that Jamie Greene made, much of today's debate points to the need for a wider strategic look at what the industry requires to be able to take advantage of the opportunities and to make sure that we have the necessary funding, resources and infrastructure across the supply chain to get us there. It is evident from the debate that there are many interests and that we need a strategic look to see how we can achieve the benefits for all.

**The Convener:** I jumped the gun, because John Finnie wants to come in.

**John Finnie:** Much of what I wanted to say has been covered, but I have some questions for Calum Duncan, who touched on the fact that although we have high environmental standards, we are failing on our targets. We have also heard from a number of people about the limitations of Marine Scotland, which I strongly echo.

My questions are on broader environmental issues. Could you say a bit more about the wider impacts on the marine environment in the event that there are disputes? Many people have talked about opportunities, such as the opportunity to review fisheries management. Will there be an opportunity for us to reinstate the 3-mile limit? What might the benefits of that be? Other witnesses might want to comment on that, too.

11:45

**Calum Duncan:** To answer your first question first, if there is no fisheries management arrangement that all member states and all parties respect, the risk of conflict is increased. Therefore, it is important to have plans for different scenarios so that, in the event of a no-deal Brexit, there is a negotiating strategy for the December negotiations and, in the event of Brexit with a deal, there is a readiness to engage with the CFP through the transition period.

On the question about the inshore fisheries, James Harrison mentioned the upcoming nature conservation MPAs, the next round of inshore management measures and proposals to improve protection for priority marine features. Scottish Environment LINK has suggested testing the 1 nautical mile limit with derogations on the outer half nautical mile in order to meet the requirements of general policy 9(b) of the national marine plan, for example.

Within that wider debate, we responded to the "Future of Fisheries Management" discussion document, which was very helpful. We said that we thought that the evidence supported a presumption against trawling and dredging in a large part of the inshore area. We are not putting a number on it, but it is welcome that the discussion document considered having a large-scale trial on that. It is an important debate and one that needs to be had if we are to have a robust, resilient, sustainable inshore fishing sector that also nurtures the nursery grounds that many of the commercial species rely on.

**The Convener:** I am happy to bring in James Harrison, but I cannot bring in anyone else. I apologise. I will have to be firmer about timing.

**Professor Harrison:** I think that Elaine Whyte had her hand up before me.

**The Convener:** But if that was on a legal point—

**Professor Harrison:** I think that there are huge nature conservation opportunities offshore. The Scottish and UK Governments have put forward various proposals for management measures for offshore MPAs, which at the moment require the agreement of the other EU member states in order to move forward, but we do not have that agreement. The proposals are stuck. However, as an independent coastal state, we will be able to implement those measures if we wish and make them conditions for access.

**The Convener:** I am going to come to Stewart Stevenson, but I must say to everyone around the table that we have four more themes to cover and I will allow a maximum of 10 minutes for each of them. If I see opportunities to reduce that, I am

afraid that I will have to take them, purely because of time.

**Stewart Stevenson:** The title of my theme is trade and workforce. We have covered parts of the subject, which I will not revisit. I will start with workforce. Seafish's statistics show that 59 per cent of the people who work in Scotland's seafood processing industry are EEA citizens; in the north-east of Scotland, the figure is 69 per cent. What implications does that have for our processing sector? What are the implications for our catchers if our processing sector is not doing well?

**Jimmy Buchan:** Stewart Stevenson has made a very good point and it is one that is of great concern to the processing sector. We have been quite vocal on the issue for some time. If we are leaving the EU, we need to find other people who want to work in the sector. The sector is 71 per cent dependent on migrant workers from the EU, and they are leaving daily. That might not all be due to Brexit. We must accept that the currency exchange rate means that the value of workers' pay is not the same when they send it back to their homeland. I have always known that people are bounty hunters—I was one myself. People chase money. That is how they earn a living. Therefore, when new opportunities arise, people will look elsewhere. Perhaps that is part of the reason for the current situation. Uncertainty is part of the reason, but we need a policy that allows the industry to be more secure in future.

I am concerned about why we have become so dependent on migrant workers. The reason for that is that we have never had the correct policies to grow the correct business infrastructure to allow people to see a career in seafood as a worthy career. We need to look at that. Instead of putting a sticking plaster on what we have, we should look at what we need to put in place to make this a sound industry.

**Mike Park:** I have a separate point to make about offshore labour. In our association, we currently have about 1,400 crew, 500 of whom are from outside the EEA. We have about 70 crew from the EU. We bring in the 500 from non-EEA countries on transit visas, which means that they have to stay on board the vessel all the time. They get up to the shops and so on, but they are not allowed rest periods onshore. Because all the vessels that have access to non-EEA crew on transit visas have to operate outside the 12-mile limit, that disenfranchises those who operate in the west of Scotland, within the isles, from that workforce pool, which is not right. We have had various communications about the situation with immigration down in London and with the Scottish Government. I ask anyone here who can exert any influence to continue to support us in trying to get non-EEA crew from countries such as Sri Lanka,

India, the Philippines, Indonesia and Ghana through a visa route rather than through a transit visa.

**Elaine Whyte:** I agree with everything that Mike Park and Jimmy Buchan have said about the stability of the workforce. I urge everybody to look at Denmark's "Become a fisherman" scheme. Denmark has the same issue as we have. It is particularly hard to get local crew in areas of depopulation. We can change that, but it depends on how we approach it.

We have lost EU crew from some of our boats because they have been concerned about what will happen. That is worth flagging up, but it is also worth flagging up the mental health of some of the fishermen. We are very pro balance when it comes to the environment, but we are also pro balance when it comes to maintaining communities. Somebody mentioned the PMF consultation, which came up last week for the first meeting. That is massive—it would involve closing much of the inshore area. Our fishermen found out about that on the day last week, at a time when we have Brexit approaching. We can only take so much. For the sake of the resilience of fishermen, we must recognise the times that we are in and work towards a balance of outcomes for everyone.

**Stewart Stevenson:** I have one more question in this section. First, I observe that the Fishermen's Mission is vital in supporting our foreign fishermen and I hope that people will continue to support it.

There is a bit more probing to do on our preparation for the paperwork and its effects. We have heard about five bits of paperwork, but somebody else told me that there are six. It is a big number either way. Aberdeenshire Council has indicated that there are likely to be delays in providing paperwork. What will be the effect and the costs of that? I heard the figure of £95 for Glasgow. I think that the Aberdeenshire Council figure is £75, but it is looking for it to be £42 as the number goes up.

More to the point, will we have to give priority to live exports of fish? If we cannot do all the certification at once, will we have to do the live exports first? What will be the wider effect of that? There was quite a lot to that question. I will rely on you to keep your answers brief.

**Elspeth Macdonald:** The initial question was about the implications for catchers in relation to trade and workforce. I completely support Jimmy Buchan and others in that we must have a viable supply chain. That is as important for the catching side as it is for the processors. We have tried to work with the processors and have made representations to both the UK and Scottish Governments about how critical this is.

I return to my point that there will certainly be things that have to happen in the short term if we find ourselves with a no-deal exit, but there should also be a longer-term, strategic look at what the industry needs to be successful in future. The industry has the potential to catch significantly more raw material and bring significantly more value to the Scottish economy, but we need to make sure that we have the right infrastructure to support it.

On live exports being prioritised over other things and the paperwork that might be required in the event of a no-deal exit, I suspect that those issues are geographically separate. Other people might want to comment on that, but I suspect that the live export requirement is likely to be of greater concern on the west coast—in Argyll and Bute, for instance—than it will be in the north-east. It is more complicated than simply having to prioritise resources to undertake the tasks; it is about where the resources are.

**Jimmy Buchan:** Live exports are problematic because we are transporting live animals, and sealing off transport, which will possibly be part of the law—we do not know that yet—means that we cannot tend to live animals. It is important to know the water temperature and to have the right air temperature, so it can be difficult logistically.

As Elspeth Macdonald rightly said, live exports do not traditionally go from Dover to Calais; they probably go from Portsmouth into France, which is a different route. Will there be border inspection posts on the other side? Will people be in place who are able to receive high volumes of live crustaceans? All of this is free flowing at present, but there are issues on the other side. I remind the committee that the live crustacean market is worth £100 million to Scotland. It is a very significant part of our rural community.

**Alistair Sinclair:** There is very little need for foreign labour in the creel and dive sector in Scotland. Many of the young fellows in the villages around the coastline find that working on a creel boat is a very attractive proposition compared with standing on a boat tearing tails off prawns and so on.

I roll out again our suggestion that, if we were to reinstate the three-mile limit around the coastline of Scotland, we would enhance fish stocks, create better opportunities and maybe help the young people in coastal communities to stay in those communities and promote them.

**The Convener:** We will move on to the next section of questions with Emma Harper.

**Emma Harper:** The evidence has been fascinating so far. I am interested in discussing future negotiations on fishing and fish stocks, because they will be happening very soon. If we

have a no-deal exit on 31 October, any current negotiations will have to be changed. Do you have any thoughts about that?

**Elsbeth Macdonald:** I think that it was James Harrison who made the point that, in the event that we find ourselves with a no-deal exit at the end of October, the UK Government has signed continuity agreements with Norway about what would happen for the rest of the year, and it is possible that there may be a similar agreement with Faroe. There would not be much left of the current year by that point—just November and December—but this is the time of year when negotiations are taking place about fishing opportunity for next year.

In the event of a no-deal exit at the end of October, the UK would immediately become an independent coastal state and it would take part in those end-of-year negotiations for next year on that basis. I think that James Harrison described—or it may have been Mike Park—how those negotiations would take place with the EU, Norway, Faroe and so on, and said that they may be bilateral or trilateral.

The suite of negotiations that is kicking off about now and will take us into December will set the fishing opportunity for next year. What happens will depend on the political outcome of the Brexit negotiations. In the event of a no-deal exit, the UK would go into the fishing negotiations as an independent coastal state. In the event of no exit in October, the status quo would continue. In the event of a negotiated outcome being reached with an implementation period, the arrangements that were set out in the withdrawal agreement would determine the status of the negotiations for the year ahead.

12:00

**Mike Park:** The UK faces some dangers as we move into the next wee while. As Elspeth Macdonald explained, if we crash out, it will be quite simple and we will all know what we are doing. We will be a coastal state and we will enter negotiations that could be bilateral or trilateral. We would negotiate—I do not know what the number is—probably 10 key commercial stocks with Norway, because they are jointly managed, but then we would have over 100 stocks that we would need to negotiate with the EU. That would be slightly more complex. The discussions will go on if we crash out, and we know what will happen there. We would have come and go on access for bigger co-shares of the quota and swaps, and various other things.

The other scenarios are slightly less appealing. If we get an agreement before 31 October, we will move into an implementation period. That would

mean that, as we moved into the traditional December council in Brussels, we would be out but we would have to live within the law. Any decision making at the December council would not include us because we would not be a member. There would still be priorities that we wanted, but we may not be able to deliver on them.

In the third scenario, if there is a further extension and we are still in the EU, the December council could be different because we would still be a member and we could still sit round the table.

An important point that I would like to make is that, in a post-Brexit situation, the industry has always seen itself sitting with the UK delegation in negotiations. I have been at 25 December councils in 25 years of EU and Norway negotiations, and we have had to sit in the corridor while the Norwegian industry gets to sit with its delegation. That is infuriating. Going forward, as a coastal state, we would like the industry to be bolted in as equal partners in the discussions.

**Emma Harper:** If 100 stocks will need to be negotiated, what is the timeframe for the negotiations? That would not happen overnight or over a weekend, and it seems that it would produce a lot of uncertainty.

**Mike Park:** I cannot speak for the pelagic sector because I do not represent it, but some of the pelagic discussions go on for years. In one case, it took them four years to reach agreement on management.

The 100-plus stocks that we would have to negotiate with the EU are mostly down south—they are area B to K, Channel and various other stocks. There will be heated discussions, but one would imagine that we could carry them out in two or three rounds of negotiations. Traditionally, EU and Norway negotiations have happened over two rounds. We normally have a week-long round in Bergen and a week-long round in Brussels—although, during my period, we have been into March the following year before we have reached agreement.

One would imagine that the first negotiations will be dynamic and full of tension. I imagine that there will be position setting, which may make them longer, but they would not necessarily have to be set before the fishing year because quotas do not marry with the biological status of the stocks. Quotas are set for January to December. One would imagine that the discussions would have to be settled prior to 1 January 2020 if we crash out at the end of October.

**Professor Harrison:** I agree with that last point. There will be some urgency about dealing with these things. However, we need to distinguish the stocks for which there are existing processes—

particularly the pelagic stocks, where there are annual coastal state consultations involving all coastal states that then feed into the processes at the regional level, particularly through the North East Atlantic Fisheries Commission. In a sense, the UK will have to slot in to those. Long-term management plans are already in place for many of those stocks, and there are established processes.

For the stocks that are shared with the EU, we will have to create the process from scratch. They have never been shared between two coastal states, so to speak, so there will be a lot of work to do to establish the institutional framework. The EU and Norway relationship is governed by a fisheries agreement. Will we need an agreement between the UK and the EU and an agreement between the UK and Norway? There are lots of things to be thought about in a very short time.

**The Convener:** I am afraid that we must go on to the next theme, which Colin Smyth will lead on.

**Colin Smyth:** I want to turn the discussion to common frameworks. It is pretty clear that if we find ourselves crashing out of the EU on 31 October, the UK Parliament will not have passed the Fisheries Bill by then. Do panel members have views on what the implications for industry will be of that bill not being passed by 31 October?

Secondly, I am keen to know what UK-wide common frameworks are necessary to assure effective fisheries governance after we leave the EU—if we do leave.

**Elsbeth Macdonald:** The Fisheries Bill is somewhat in limbo. The UK Government has provided assurances to the industry that it has created the necessary secondary legislation for us to be able to undertake, in the event of a no-deal exit, the functions of fisheries management that we have been talking about today. I expect that many of those statutory instruments will have been consented to by the Scottish Parliament. Although we might not have the bill, or any bill, in the event of a no-deal exit, those UK statutory instruments would be in place.

The bill would give you the ability to look at how you develop your legislative arrangements in the UK in the longer term, so there would still be a requirement for a piece of primary legislation.

I believe that UK-wide frameworks are the arrangements that are intended to be in place in the event of exiting with a deal. There has been extensive discussion among the Governments across the UK about what those arrangements would comprise. We have not yet had detailed discussions with Government about what a UK-wide framework on fisheries would look like, but we would expect to be involved in discussions with Government once the exit route is clearer.

**Calum Duncan:** In the event of a no-deal exit, the statutory instruments would allow for operability, but the big gap that we are concerned about is the ability to put in place conservation measures for offshore MPAs. Currently the measures for the suite of MPAs come under the CFP. We hope that the measures will be able to be put in place under the Fisheries Bill.

We welcome many of the bill's objectives, but we think that it falls short of the CFP in relation to maximum sustainable yield. Collectively, non-governmental organisations are calling for the Fisheries Bill to be toughened up. There needs to be a legal mechanism to deliver MSY, as is currently the case with the CFP.

There is a need for a four-country approach. The Fisheries Bill would allow for a joint fisheries statement and a collaborative approach to fisheries management, which would be welcome. We hope that it would lead to a fairer and more sustainable approach to distributing quota, a commitment to ensure shared stocks are managed sustainably and full and verifiable catch documentation.

I would like to point out that there is a gap in Scottish legislation. We think that there was a commitment to an inshore fishing bill in 2015, which has been rather superseded by Brexit. We would welcome recognition of a need for new legislation for fisheries management in Scotland. Scottish legislation is also necessary to address some of the issues we have heard about today, including spatial management and gear conflict.

**The Convener:** I am sure that committee members will pick that up with the cabinet secretary when he comes in. I will bring in Mike Park before we move on to the final theme.

**Mike Park:** The position of my organisation and the SFF is that regionalisation of fishing policy is the preferred route going forward. The UK was very much in favour of regionalising fishing policy within Europe, and the Scottish industry, the SFF and my organisation are very much in favour of regionalising policy within the UK. What does that mean? It means that you do not necessarily have to implement the same detailed policy throughout the UK. Issues such as MSY and sustainability targets should be dealt with at a high level across the UK, but how fisheries are managed and the selectivity measures that are put in place should be dealt with at a regional level. We very much support any cause that tries to deliver regionalisation.

**The Convener:** John Finnie has the final theme.

**John Finnie:** A lot has been covered, but I do not think that we have touched on the fact that the European maritime and fisheries fund runs to tens of millions of pounds. Do members of the panel

have concerns about the loss of EMFF funding? Have organisations been involved in any discussions with the Scottish Government about what will replace it?

**The Convener:** I will bring in Alastair McNeill, because he has been sitting very quietly and I have not always been able to see whether he has wanted to answer a question, and then I will bring in Jimmy Buchan.

**Alastair McNeill:** I chair a couple of fisheries local action groups in Scotland—in Dumfries and Galloway and Argyllshire—and I am on the chairs panel, which has been pushing for replacement funds for both the maritime fund and LEADER. We are extremely concerned that there is nothing in place yet. As chair of the IFG, I wrote to Fergus Ewing some time ago about that huge concern. The loss of those funds, if they are not replaced by something else, will hit the communities that I mentioned earlier: the fragile communities, not just on the west coast but all around the coast of Scotland, where fishermen, the fishing industry and processors have benefited from them. The funds may be relatively small in some people's view, but they help small businesses to advance. If there is no replacement, it would be a disaster. We have the framework in place with the FLAGs and the local action groups: local committees that can consider national or European funds and allocate them to local projects. The structure is there.

Another aspect is that part of the EMFF funding is held centrally. A lot of work has been done through St Andrews university under the Scottish inshore fisheries integrated data system project to look at monitoring of inshore fishing vessels—we spoke about VMS earlier—and electronic monitoring, which will perhaps cascade out very soon to improve accountability and enforcement in the inshore sector. We desperately need a replacement for the European funding and would welcome some information about that, because the details have been vague so far.

**Jimmy Buchan:** There has to be a successor to the EMFF. Although it has not been perfect in many ways, it has helped to drive innovation. If we want to be a global exporting marketing body—Scotland plc—we need to be at the cutting edge, because that is what will make us competitive in the world. Funding has helped us with that.

However, any future system must be much fairer across the industry. We cannot have a system in which companies that can drive things forward are not eligible to apply for grant funding because of the number of employees that they have or because of their turnover. It must be a much fairer system that is accessible to all businesses to some extent. We need the funding, but the allocation system needs to be looked at and made much fairer.

**John Finnie:** Of course, there is another element. It is often said that fish know no boundaries, and much collaborative work has taken place, particularly in the scientific sector, and money has gone to support research funding. Will there have to be new ways of building on the good work that has taken place if the UK leaves the EU? Concern about research funding is not restricted to this sector, of course; it is mirrored across sectors.

12:15

**The Convener:** Three people want to come in. I will bring in Elspeth Macdonald, Elaine Whyte and then Mike Park. I think that Alistair Sinclair also wants to come in. If you are very brief, I can get all four of you in.

**Elspeth Macdonald:** Some scientific work in the catching industry is funded through the EMFF, although it is not necessarily pure research. For example, we manage a programme of independent fisheries observers. The data and information that they gather makes an important contribution to stock assessment for international management. We also run a programme on improving gear technology to make it more selective, to help drive conservation objectives and so on. From the catching side, we certainly agree that there needs to be a replacement for the EMFF.

**Elaine Whyte:** Of course, we support calls for a replacement for the EMFF and echo what Jimmy Buchan has said about making sure that funds are going to the right places. I have heard of fisheries funds impeding fishermen by going to the development of various things in harbours that have not helped. How we use the funds is important.

I suggest looking at the Norwegian model of a fisheries levy on fishermen themselves. The Norwegian levy is 1.3 per cent and contributes to marketing and science. I do not know any fishermen who would not be willing to contribute in that way if it meant developing neutral science that helped us all, which is what we need.

**Mike Park:** As an industry, we have never favoured the use of EMFF funding for building new vessels. We always thought that if you had to wait until Monday morning for a cheque to come in with a subsidy for your business to survive, you had no chance of surviving, and other industries have suffered as a result of that kind of thing. We would like to see the EMFF continued in some form in the onshore sector, because we are only as good as the onshore sector.

I support what Elaine Whyte said about industry-funded science, with a couple of caveats. It would have to be mandatory and, because there should

be no taxation without representation, there should be fishermen on the board that oversees the spend.

When we toured Norway, I said to every sector, "You must hate this—this is a tax," but everyone I spoke to said, "It is the best tax we pay." We would like to get ourselves into that position, but there is still a debate to be had in Scotland about industry financing science.

**Alistair Sinclair:** If we are to recover fish stocks in inshore waters, we cannot keep supporting damaging methods of fishing. We would support a well thought-out policy, if it came from Government, through which funding was given to vessels that might change from mobile to static. That might allow everything to recover as it should.

**The Convener:** Calum Duncan, when you indicated that you wanted to speak, I shook my head, but if you can be very brief, I will give you the final word.

**Calum Duncan:** To show some common cause, I welcome the idea of having levies that can support innovative developments in science, because there are lots of good examples, such as SIFIDS, which we have heard about. We all want fully documented fisheries and a blockchain through which sources can be traced right through to the supermarket. That is something that we would all welcome.

**The Convener:** The time has gone quickly. I thank everyone who came to join this discussion.

In my three or so years as convener, this has been the most difficult session to convene, because I felt that I was shaking my head and saying no to rather a lot of people when they wanted to come in. I apologise if you feel that that was the case and I hope that you have all had a chance to put across what you wanted to say. However, I have to ask you, very rudely, to leave the room as quickly as possible, because we need to discuss another matter. I ask committee members to stay in place so that we can go into private session.

12:19

*Meeting continued in private until 12:23.*

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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