

Market access for Norwegian seafood post Brexit

Still 50 shades of uncertainty?

- Norwegian export to the UK
- What regulates the seafood trade between Norway and the UK today?
- 3 possible scenarios



Value of Norwegian exports To the UK 2018

6.2 billion NOK (+18%)
575 million GBP (+16%)

**RECORD
HIGH**



Salmon

4.3 billion NOK (+21%)
395 million GBP (+19%)
68,5 thousand tons (+21%)



Cod

526 million NOK (-4%)
48 million GBP (-6%)
12 thousand tons (-18%)



Haddock

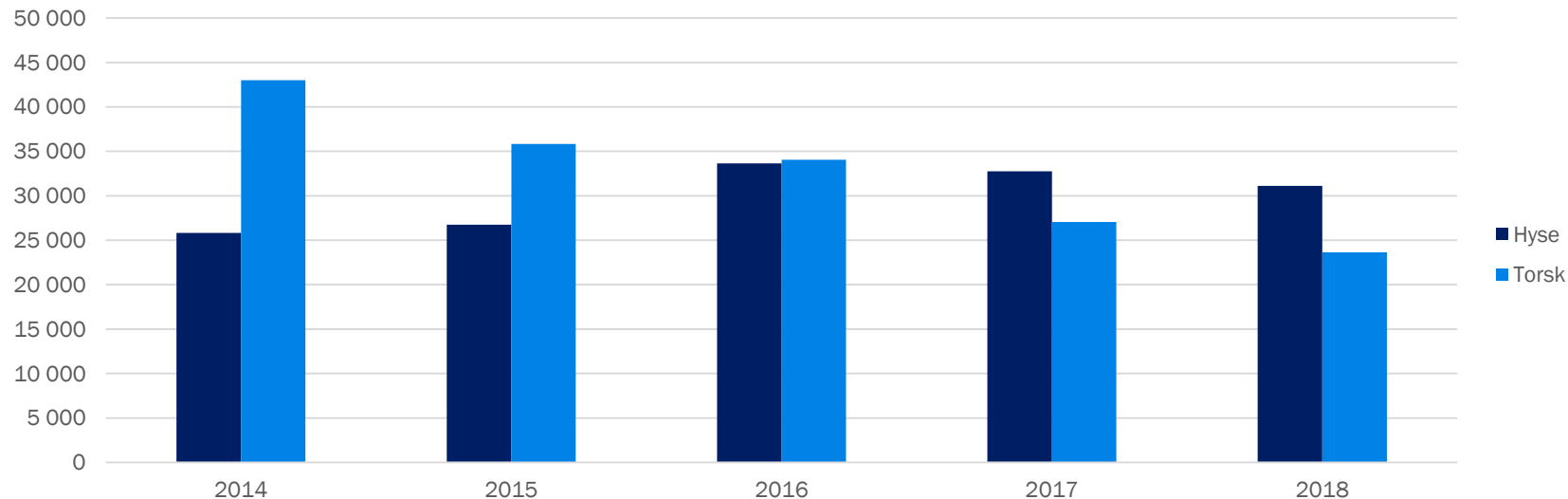
586 million NOK (+13%)
54 million GBP (+10%)
20,5 thousand tons (-4,5%)



Prawns

124 million NOK (+20%)
11 million GBP (+18%)
1,5 thousand tons (+10%)

Norwegian export of cod and haddock to the UK



What regulates Norwegian seafood export to the UK?



Agreements regulating the trade

- ♦ WTO GATT
- ♦ The EEA Agreement
 - ♦ Protocol 4 to the EEA Agreement (PEM)
 - ♦ Protocol 9 to the EEA Agreement (fish)
 - ♦ Annex I to the EEA Agreement (veterinary)
- ♦ EC-Norway trade agreement (1973)
- ♦ Compensation Agreements 1995, 2004, 2007





3 possible scenarios

Best case

- But not very likely right now...
- No change – for all practical purposes we keep calm and carry on for another 21 months.
- Or remain until further notice.



Worst case

- WTO regulated trade
 - China, US, Brazil for example
- No preferential trade
- MFN rates on import to the UK
- Veterinary 3rd country trade

WORLD TRADE
ORGANIZATION



Veterinary requirements

- From internal market to 3rd country trade
 - Border control
 - List of establishments
 - Health certificate
- i.e serious administrative burdens

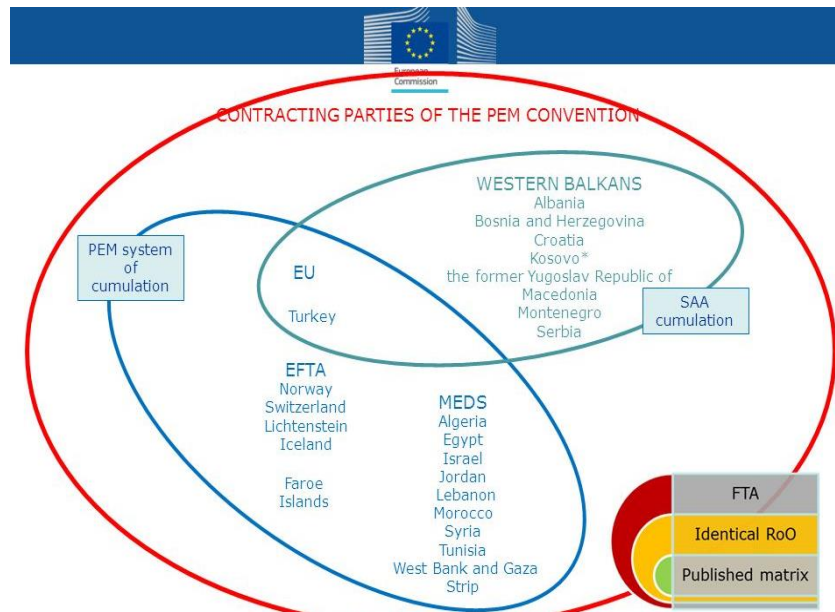


A little something to soften the blow

- An intermediary agreement to avoid interrupting trade?
- Quotas and tariff measures?
- By when?
 - Aim at not interrupting trade – 30 March 2019, “ideally (and unless the UK decides to stay).
- Other risks to this scenario?

Rules of Origin

- Bigger risk than uncertain tariff treatment
- Regulates all preferential trade between Norway and the EU
- For a party to accede to the PEM convention it needs at least one free trade agreement with one of the other parties to the convention.
- Does the UK fulfil this requirement?



Salmon

Today

- Fresh
 - Customs duty 2%
 - Quota at 0 duty: 6100 tons (exhausted on 5 January)
- Frozen
 - Duty 2%
 - Quota at 0 duty: 580 tons
- Filets
 - Duty 2%
 - Quota at 0 duty 610 tons (exhausted on 3 January)
- Smoked
 - Duty 13%
 - Quota at 0 duty: 450 tons

Worst case scenario (no deal and no continuation agreement)

- Fresh
 - Customs duty 2%
- Frozen
 - Customs duty 2%
- Filets
 - Customs duty 2%
- Smoked
 - Customs duty 13%

Cod

Today

- Fresh and frozen
 - 0 duty for Norwegian origin
 - Duty free quota of 7500 tons not requiring origin (*erga omnes*)
- Filets
 - 0 duty for Norwegian origin
- Frozen filets
 - 0,9% duty for Norwegian origin
 - Duty free quota of 9000 tons for Norwegian origin
 - Duty free quota of 50000 tons not requiring origin

Worst case scenario (no deal and no continuation agreement)

- Fresh
 - Customs duty 12%
- Frozen
 - Customs duty 12%
- Filets
 - Customs duty 18%
- Frozen filets
 - Customs duty 7,5%

Haddock

Today

- Fresh and frozen
 - 0 duty for Norwegian origin
- Filets
 - 0 duty for Norwegian origin
 - Duty free quota of 180 tons
- Frozen filets
 - 0,9 % customs duty for Norwegian origin
 - Duty free quota of 9000 tons for Norwegian origin

Worst case scenario (no deal and no continuation agreement)

- Fresh and frozen
 - 7,5% customs duty
- Filets
 - 18% customs duty
- Frozen filets
 - 7,5% customs duty

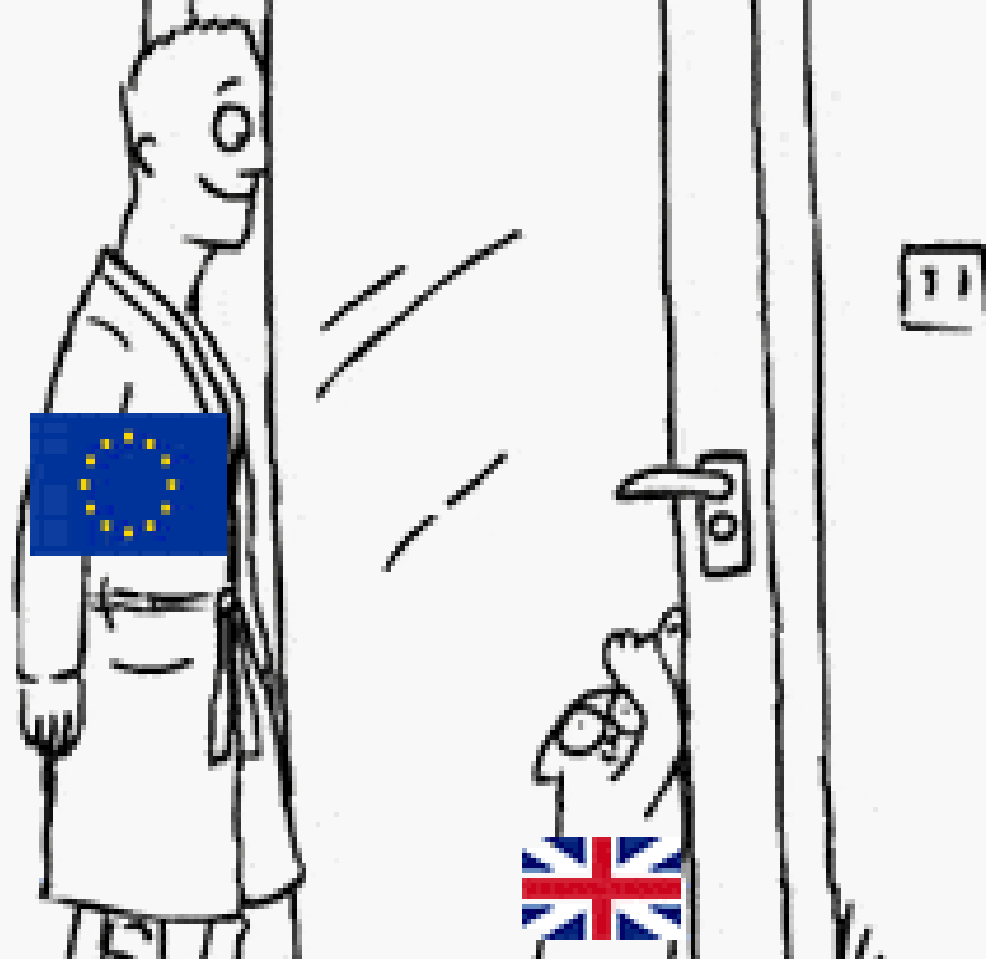
Shrimps and Prawns

Today

- cold water shrimp raw or boiled
 - 12% customs duty
 - Combined duty free quotas of 2750 tons with Norwegian origin
 - Duty free quota of 4000 tons without Norwegian origin
- Prepared or preserved
 - 7,5% customs duty
 - Combined duty free quotas of 20500 tons for Norwegian origin
 - Duty free quota of 7500 tons without Norwegian origin

Worst case scenario (no deal and no continuation agreement)

- cold water shrimp raw or boiled
 - 12% customs duty
- Prepared or preserved
 - 20% customs duty



**NORWEGIAN
SEAFOOD
COUNCIL**

Thank you!

sgs@seafood.no