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Fishery Products

EU proposes to simplify state aid rules in the fisheries sector

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Report Highlights:

On July 9, 2003, the European Commission adopted a draft regulation proposing to exempt most categories of member state aid in the fisheries sector from prior notification to the Commission. The main objective of the proposal is to simplify existing rules and to create greater transparency in the allocation of national aid.

Includes PSD Changes: No
Includes Trade Matrix: No
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European Commission proposes to simplify rules on member state aid to the fisheries sector

On July 9, 2003, the European Commission adopted a draft regulation proposing to exempt most categories of member state aid in the fisheries sector from prior notification to the Commission. The main objective of the proposal is to simplify existing rules and bring them in line with the new rules adopted under the December 2002 Common Fisheries Policy reform. The draft regulation proposes to exempt these categories of aid which have been regularly approved in the past by the Commission and which will not endanger the conservation of fish resources or distort competition. It would allow member states to respond faster to the problems that the sector is currently facing. The block exemption will apply to aid granted to small and medium-sized enterprises for amounts below 1 million EUR or to aid designed to finance measures with a maximum eligible amount of 2 million EUR.

The categories exempted from prior notification would include aid for:

- promotion and/or advertising of fisheries products
- producers' groups
- protection and development of aquatic resources
- innovative measures and technical assistance
- fishing port facilities
- scrapping of fishing vessels
- socio-economic measures
- investment in processing and/or marketing of fisheries products
- aquaculture and inland fishing

The proposed block exemption would also strengthen the member states' ex-post reporting obligations to ensure the proper allocation of state aid and to monitor increases in national aid above certain thresholds.

The draft proposal will now be submitted to the member states for consultation. Member states will also be consulted on a revision of the guidelines for categories of aid which still need to be notified to the Commission for prior clearance. These categories include aid to the fleet, aid for temporary cessation of fishing activities and aid for compensation for damages due to natural disasters or exceptional circumstances. Adoption of the Commission's final text is expected in the first half of 2004.

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