

# Why Brexit could be a 'nightmare' for UK's salmon smokers

By [Neil Ramsden](#) Jan. 30, 2018 08:20 GMT



Norway's seafood trade deal with the EU -- one option the UK might hope to emulate post-Brexit -- would put a serious dent in Scotland's salmon smoking industry, one expert has warned.

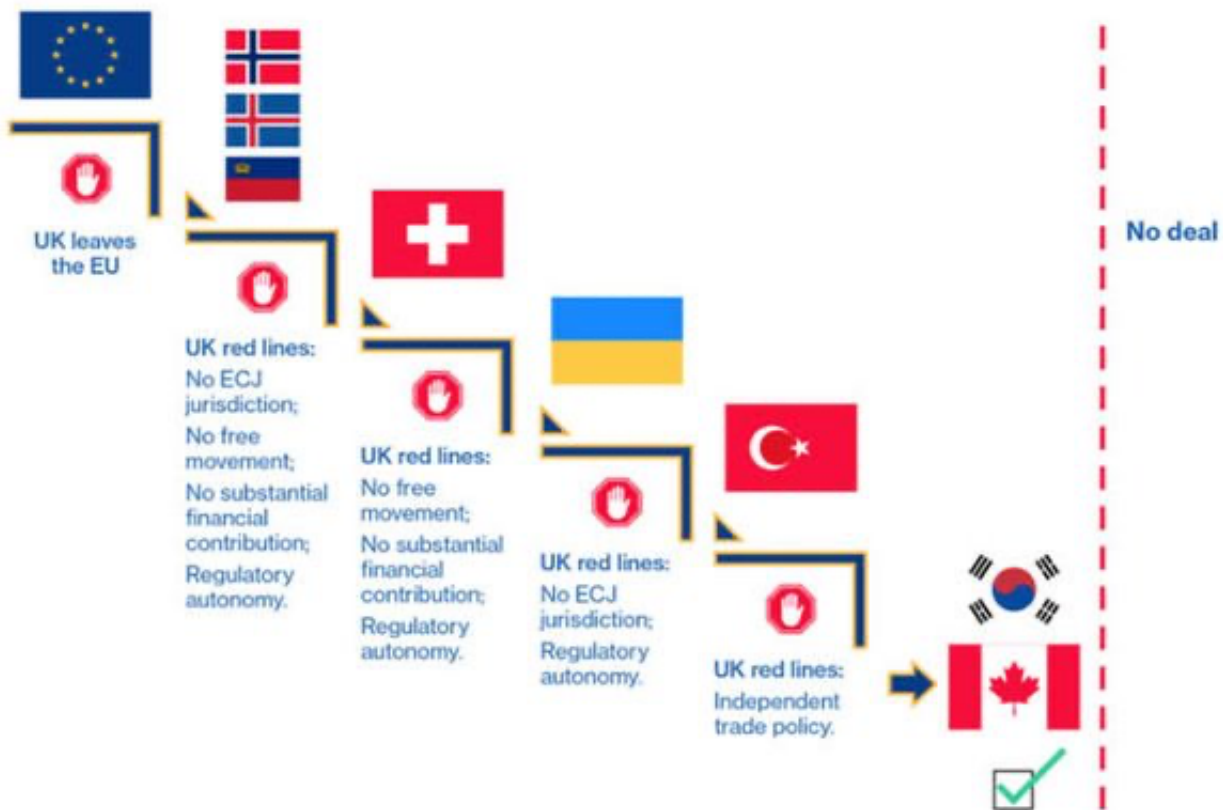
In December the EU's chief Brexit negotiator, Michel Barnier, told the European Council in a presentation that the benefits of a Norway- or Switzerland-type trade arrangement would be off-limits to the UK, as prime minister Theresa May has refused to accept EU financial contributions or freedom of movement.

The Frenchman is instead pushing the UK towards a Canada- or Japan-style

trade deal, as he believes this is the only option for May given her many Brexit "red lines" (see picture below).

There was no provision in his presentation for Britain to strike a bespoke deal with more advantages than any existing arrangement.

"Norway's agreement, currently seen as the best agreement a third country has with the EU in terms of fisheries, is the one the UK wants to replicate," fisheries economist and CEO of Sakana Consultants, Sebastien Metz, told *Undercurrent News* on the fringes of last week's Norway-UK Seafood Summit in London.



Slide presented by Barnier

Under Norway's deal with the EU, Norwegian whitefish can enter the European market tariff-free. However, a number of other species and products faces tariff rules.

"Basically when these rules were discussed some [EU] member states thought if Norwegian salmon entered the EU without tariffs, it could harm their own sector," said Metz. "At the time one of the major states thinking that way was the UK."

As a result, salmon sold from Norway to the EU faces "escalating" tariffs; 2% paid on unprocessed fish, but 13% on smoked salmon.

"This is the reason the EU imports almost no smoked salmon from Norway; we import raw [materials] and smoke it, in Scotland, Poland, France, and so on,"

said Metz.

"So, if the UK goes out and uses the same kind of agreement, they're going to lose all the smoked salmon exports," he suggested.

Hence, Metz said Brexit could become a "nightmare" for Scotland's salmon smoking firms.

Of course, this won't come as a surprise to the industry, who will no doubt have given their thoughts to the UK's negotiators in terms of what type of deal is needed.

"At the moment there are many unknowns and the 'Norway' model is just one of many possible outcomes of the Brexit negotiations," Ivan Bartolo, president of the Seafood Importers and Processors Alliance, told *Undercurrent*.

"Tariffs on processed fish tend to be higher in general than tariffs on unprocessed product so of course there is some concern about the impact such tariffs might have on exports. A new tariff would have to be seen in the light of other changes that might take place, such as currency fluctuations and availability and cost of raw material."

He confirmed that Seafish, for whom Bartolo also works, is keeping an eye on this issue, among the many raised by the UK's seafood sector when it comes to Brexit.

The government has also heard similar warnings from Norwegian experts, as evidenced by consultation documents it has published online. In September 2016 Vidar Landmark -- director general of Norway's department for fisheries and aquaculture -- told a House of Lord Brexit inquiry "told us that Norwegian salmon producers faced substantial tariffs in the EU".

"This could be particularly problematic for Scottish aquaculture: [Scottish fisheries minister Fergus] Ewing noted that the single market and trade unimpeded by regulatory barriers was crucial to aquaculture producers."

In the hearing Landmark noted that while the EEA agreement allowed Norway to export whitefish products tariff-free, "import quotas and tariffs ranging from 2–25% were applied to other valuable species".

"He added that, despite the preferential EEA-relations with the EU, 'both the tariffs and the export quotas to the EU market on those products are still a serious obstacle to trade'."

## **The Norway model**

Fisheries negotiations are just a tiny part of Brexit, and the UK's ability to alter


and add-on to any agreement it seeks to make will depend on give-and-take across a huge number of areas.

The [UK government has noted](#) the 'Norway model' would give the UK considerable but not complete access to the free-trade single market, while losing access to all of the EU's trade agreements with 53 other markets around the world. "Re-negotiating these would take years."

Norway is also obliged to accept the free movement of people, and has chosen to be part of the Schengen border-free area; something the UK food processing sector may embrace, given its dependence on European workers.

"To adopt the Norway model, the UK would need the agreement of all the remaining 27 EU countries, along with Iceland, Liechtenstein, and Norway."

"If the UK voted to leave the EU, the government would do all it could to secure a positive outcome for the country," it said, in March 2016.



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