

## UNEDITED SPEECH - 18.2.2015

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(மாண்புமிகு மங்கள சமரவீர - வெளிநாட்டலுவல்கள் அமைச்சர்)  
(The Hon. Mangala Samaraweera - Minister of Foreign Affairs)

Hon. Presiding Member, as you maybe aware, at the end of January, I was in Brussels, the home of the European Union. The objective of my visit was largely to revive positive relations and begin a new chapter in Sri Lanka-European Union relations, based on mutual respect and understanding. But, I was also in Brussels to specifically address two very urgent issues of great national importance: firstly, the EU-IUU fishing ban which was announced on the 14<sup>th</sup> of October last year and which came into force three months later, on the 14<sup>th</sup> of January this year, exactly one week after the new President was sworn into office. Secondly, I went there to discuss the question of the GSP Plus tariff concession, which was withdrawn from Sri Lanka nearly five years ago as a result of the previous Government's persistent reluctance to embrace good governance and ensure basic human rights.

When engaged in high seas fishing, countries have obligations to comply with the international regulations that help ensure the sustainability of common resources. These international regulations help ensure that fish stocks are sustainable and attempt to limit environmental damage. In Sri Lanka's case, the relevant regulations are those agreed upon at the Indian Ocean Tuna Commission or better known as the IOTC. According to the Environmental Justice Foundation, global losses associated with IUU which stands for Illegal, Unreported and Unregulated fishing are valued at between US Dollars 10 million to 23.5 billion annually.

The EU imposes bans on countries that fail to comply with these regulations. These bans are imposed after multiple warnings, and offers of assistance to help with compliance and investigations. It is the previous administration's failure to comply with these regulations despite repeated warnings, and their turning a blind eye to IUU fishing activities that led to the current ban. Thus, all nations and specially countries like Sri Lanka whose coastal fisheries account for nearly 53 per cent of total marine fish production, have an incentive and a duty to protect and manage common resources in a way that prevents the depletion of fish stocks, and ensure the preservation of this resource for posterity.

In fact, as you are well aware, 1.8 per cent of our GDP is generated through fish and fisheries products and fisheries is the ninth largest export sector. In 2013, the share of seafood in the overall export basket was around 2.5 per cent generating export income of nearly US Dollars 246 million, and the EU accounts for about 40 per cent of our total fish exports.

Mr. Presiding Member, the IUU fishing by Sri Lankan vessels was first flagged as an issue of concern, when an investigation mission from the European Commission in 2010 found Sri Lanka to be non-compliant with standards enforced by the IOTC. Thereafter, on the 15<sup>th</sup> of November 2012, a yellow card was issued to eight countries, of which Sri Lanka was one, formally notifying Sri Lanka on the possible identification of the country as a non-cooperating third country in the EU-IUU fishing regulations. Following that early warning, the Ministry of Fisheries and the Sri Lankan Government managed to hold several very fruitful discussions and dialogues with members of the EU and IOTC, showing much progress on the ground, and was even on the verge of reversing the yellow card and having the file closed. Indeed, recently, as early 2014, the EU commended Sri Lanka on its "significant progress" in terms of its compliance with IOTC regulations, including addressing the IUU fishing.

I have been told, Sir, that, in fact, Sri Lanka has 1,615 vessels in the high seas, where over 90 per cent of this fishing fleet is less than 15 metres in length, all of which are by international standards considered to be artisanal fishing vessels and minimally damaging to the environment. However, the problems started in March 2014, when a political decision was taken by the previous government to increase the quota of fish that Sri Lanka could export, by introducing eight high capacity Chinese-built and owned Purse Seiner vessels. These commercial ships are over 45 metres long, have a capacity of 651 metres and may catch as much as 300 metric tons of fish per trip. Their catch size is between 25 and 100 times more per trip than the small sized artisanal Sri Lankan boats, which, as I just mentioned, are the type of vessels traditionally found in Sri Lankan waters.

The fishing gear used by these vessels has pernicious effects on the environment, sustainability of fish stocks and marine bio-diversity. Purse Seine fishing produces significantly greater "by-catch", that is the catch of non-marketable sea animals than other more traditional fishing methods such as long line fishing.

Most importantly, however, the introduction of the vessels took the other stakeholders in the Indian Ocean by complete surprise because they were not forewarned because it seemed to be at odds with our overall policy for fishing in the Indian Ocean, because at the time, there were no regulatory and control measures in place signified to our partners in the Indian Ocean that we were about to embark on large-scale commercial fishing without the consultation of other stakeholders or the consideration of the environment and our international obligations.

In April 2014, Sir, the Director-General for Maritime Affairs and Fisheries in Brussels, better known as DG-MARE, declared that "the momentum set in motion, during which much of the progress has been

reported, is likely to be on a derailed path". Not soon after, on 14<sup>th</sup> October, 2014, the European Union decided to inform us of the decision to ban Sri Lanka's fisheries exports to the EU but had decided to implement the ban only three months later, thus giving Sri Lanka yet another three months to rectify the situation. However, due to sufficient lack of progress in these three months, the ban unfortunately came into effect on the 14<sup>th</sup> of January, this year.

But, let us not be misguided in thinking that the ban will be so easily removed as by revoking the licences of those eight large vessels. The EU has also drawn our attention to the fact that that not all vessels flying the Sri Lankan flag and which are authorized to fish in the high seas outside the jurisdiction of our own waters, have valid licences. In fact, out of the 1,615 vessels, I have been told that only 86.3 per cent have valid licences and many vessels are still, however, submitting catch certificates even without a logbook and VMS data is still only limited to a small number of vessels. In the most recent count, I have been told that only 35 vessels, out of 1,615 are having these Vessel Monitoring Systems in place. Further, deterrents to violations were at the time inadequate to prevent additional violations; physical inspections rarely revealed non-compliance of vessels to the IOTC regulations and when there were such reports, not enough was done unfortunately to follow up.

At the time of issuing of the ban, the vessel observer scheme was underdeveloped, VMS reports on progress required by Resolution 06/03 had not been provided, length frequency data for coastal fisheries required by Resolution 10/02 had not been submitted and neither had there been a report on import, landing, and transshipment of tuna and tuna-like fish products as required by Resolution 10/10.

Thus, there are many areas where Sri Lanka needed and still needs drastic improvement, especially in the application of legislative frameworks and in the ground policing of vessels. While all my meetings were extremely warm and cordial - in fact, there was a great need amongst all the officials I met to help Sri Lanka to come out of this impasse as soon as possible - it became evident that Sri Lanka needs to implement several serious reforms before the EU may begin to consider lifting the ban. The constant revisions of deadlines, such as the deadlines to order and introduce the appropriate transponders on board ships, have been the cause of a significant loss of credibility or, as the DG-MARE put it in my meeting with her, the cause of much "disappointment" from within the EU and despite the well-intentioned administrative work force within the Ministry of Fisheries, it was stressed that what was lacking in Sri Lanka was the "political will" to execute the necessary changes.

But, I am happy to note that under the new Minister of Home Affairs and Fisheries, this "political will" has been amply displayed and in fact, there was a meeting just a week ago chaired by the Prime Minister himself, where the question of Vessel Monitoring Systems being ordered as early as possible was

discussed in great detail, and I am sure, the Hon. Minister will inform the House that the process has already begun. We believe that by the 1<sup>st</sup> of July, more than 1,500 of these Vessel Monitoring Systems would have been ordered and fixed in these vessels.

In advocating for the need for swift and urgent reforms, let me also note one important consequence of the EU- IUU fishing ban. The EU, as a trade bloc, has emerged as the number one market for Sri Lanka's exports for decades and in 2013, accounted for about 32 per cent of Sri Lanka's total exports. In the period between 2005 and 2010, Sri Lanka was a significant beneficiary under the GSP Plus scheme, which was extremely important for the success of Sri Lanka's business community, and achieved a GSP Plus utility rate as high as 72 per cent. These tariff concessions helped Sri Lanka promote and develop ethical trading practices primarily in the garment and textile sector, and over the years more than 100 garment factories across the country were awarded with the "garments without guilt" label by the International Certification Authorities for their progress in providing positive working environments.

Currently, Sri Lanka enjoys trade preferences granted by the European Union under the standard GSP scheme where the utility rate of preferential trade concessions has been in an average range of 61 per cent during the 2011-2013 period. Thus, in this context, it is crucial for the EU-IUU ban to be lifted immediately in order for Sri Lanka to have a positive response by the European Commission to its GSP Plus application.

In fact, we know that there was a reversal of such a fishing ban in Belize, where, I was told that it took eight months. The senior officials I met in Brussels assured me that they will give priority to Sri Lanka but Sri Lanka must, as I said earlier, have the political will to implement these reforms as early possible and I think this Bill which is presented in Parliament today, again amply demonstrates the political will of the new administration to get this ban reversed as early as possible.

Thank you.