UK-Greenland Trade: Focus on Seafood



UK-Greenland Policy Series - Policy Brief I (June 2022)

Dr Dwayne Ryan Menezes

Polar Research and Policy Initiative

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Cover Image:

Ship drifting among icebergs near Ilulissat in North Greenland.

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"A trade deal between these two island countries, both located at the edge of Europe and incidentally the first to leave the EU, is the easiest deal the UK Government could ever make and yet is vital to the UK's regional economies, international trade, industrial strategy and business growth, food security, water security, mineral resource security, climate and energy policy and, indeed, foreign policy and defence and security."

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Polar Research and Policy Initiative
London SW6 1BH
United Kingdom

www.polarconnection.org

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Executive Summary

Greenland is one of the UK's largest and most important food sources. It is the largest import source of cold-water prawns and a significant source of other North Atlantic species, such as cod, haddock, halibut and snow crab. Many of the UK's most popular dishes, such as fish and chips, fish pies, prawn sandwiches and prawn cocktails, use fish and fish products originating in Greenland.

Furthermore, as Greenland exports not just finished products to the UK, but mostly semi-finished products that undergo value addition in the UK, there is an entire value chain built around Greenlandic fish and fish products within the UK that includes importers, processors, manufacturers, wholesalers, distributors, retailers, fish and chips shops, pubs and restaurants. Consequently, the UK-Greenland trade is a key driver of job creation, business growth and inward investment in the UK. As these opportunities are often created outside London, their importance may not always be realised in the capital, but they matter enormously to the UK's regional economies, especially in those regions that have built relevant specialisms.

Conversely, the UK is one of Greenland's largest export markets, with the export of fish and fish products making up almost all of Greenland's current exports to the UK. In 2020, Greenland's fish exports to the UK were valued at DKK 610.1 million (more than GBP 72.7 million), accounting for 11.5% of Greenland's total exports and more than 12.5% of Greenland's fish exports in particular. The figures for 2019 would have been even higher as two of the main customer areas – Industry and Foodservice (Hospitality) – were greatly affected by the Covid-19 pandemic in 2020 and 2021. In 2019, Greenland's exports of cooked and peeled cold-water prawns to the UK accounted for 35.24% of Greenland's total exports of cooked and peeled cold-water prawns, while its exports of cod to the UK accounted for 27.71% of its total exports of cod, by value. The UK, consequently, is of great strategic importance to Greenland, the economy of which is overwhelmingly dependent on fishing.

Fishing and related industries account for more than half of all businesses in Greenland, a third of the revenues and total value added generated by companies in Greenland, between a fifth and sixth of the total employment in Greenland, 91.38% of Greenland's total exports, and the highest net investment attracted by a sector in Greenland. Aside from the annual block grant of around DKK 3.9 billion (~USD 600 million) provided by Denmark to Greenland, which accounts for around 20% of Greenland's GDP and more than 50% of its central public budget (or roughly 35% of its total public budget, including municipalities), fishing and related industries are the single greatest driver of economic development in Greenland, accounting for around 25-30% of Greenland's GDP, direct, indirect and induced effects – which is more than the annual block grant itself. If the annual block grant from Denmark is excluded from the equation, then fisheries' share of Greenland's GDP is estimated to be as high as 70-80%.

At the municipal level in Greenland, the dependence on fishing is even more obvious: the proportion of the population employed by fishing and related industries ranges from two-fifths in Avannaata, to around two-sevenths in Qeqertalik, to a quarter in Qeqqata, to a seventh in Kujalleq, and to an eighth in Sermersooq. Furthermore, municipalities such as Avannaata, Qeqertalik, Qeqqata and Sermersooq are leading producers of fish and fish products that make their way ultimately to the UK, and, as such, are greatly dependent on UK-Greenland trade. As these are also municipalities where fishing is a major source of employment and revenue generation, their regional economies are acutely sensitive to the ebbs and flows of domestic politics and trade negotiations in the UK, which impact employment and economic development in Greenland.

Given its vast size and Nordic and North American connections, it is easy to forget that, economically, Greenland has much in common with other developing countries, including many countries that the UN classifies as Least Developed Countries (LDCs) and that the World Bank classifies as low-income countries (LICs) and lower-middle income countries (LMICs), especially those also characterised by a small and sparse population, remote geography, dependence on one or two economic sectors, lack of export diversification, increased vulnerability to external shocks (including climate-related shocks), low level of integration with the international trading system and logistical challenges. It is also important to note that

Greenland – as an overseas country or territory linked to Denmark – shares much in common with the British Overseas Territories, with which it cooperated closely through the Overseas Countries and Territories Association (OCTA) while the UK was still an EU member state.

Prior to the UK's withdrawal from the EU, UK-Greenland trade was underpinned by the EU's agreement with the Overseas Countries and Territories (OCTs) constitutionally linked to four EU member states - the UK, Netherlands, France and Denmark – which granted unilateral trade preferences to products originating in the OCTs, not just Greenland but also several British Overseas Territories. Thus, products originating in these OCTs, including Greenland, enjoyed tariff-free, quota-free preferential access to the EU and, by extension, the UK for decades. If the UK's intention was, as stated, simply to roll over or replicate existing trade agreements as much as possible, then it should have recognised early on that a central pillar of its trade with Greenland lay in those unilateral trade preferences, which it should have extended at the soonest through the inclusion of Greenland within a new framework created for the OCTs or for developing countries, or through a new bilateral Preferential Trade Agreement.

However, when the UK left the EU, the number of OCTs associated with the EU dropped from 25 to 13, with the status of those OCTs in relation to the UK, and the status of the British Overseas Territories in relation to the EU, hanging in the balance. While the British Overseas Territories lost their right to preferential access to the EU market for trade in goods (unless otherwise agreed), the other OCTs, such as Greenland, no longer qualify for preferential access to the UK (unless otherwise agreed). Although the UK has introduced a scheme ensuring British Overseas Territories retain tariff-free access to the UK, this does not extend to OCTs associated with the EU, such as Greenland. Thus, despite the UK repeatedly stating its intention to roll over existing agreements as much as possible, Greenland finds itself in an entirely precarious position, having lost the preferential access to the UK it traditionally enjoyed under the EU-OCT arrangement and not gaining similar preferential access to the UK under the UK-OT arrangement.

It is also important to bear in mind that Greenland had secured free access to the EU Internal Market – now Single Market – through the Greenland Treaty of 1985 (which formalised Greenland's withdrawal from the European Economic Community) before the rest of the OCTs had secured the same through the EU-OCT arrangement. The Greenland Treaty places the condition on Greenland that the EU must have satisfactory access to Greenland fishing zones for free market access, while the EU is to compensate Greenland financially for the fishing quotas. Thus, while Greenland is covered by the EU-OCT arrangement, it has additional provisions and conditions through the Greenland Treaty. As the UK and Greenland continue to negotiate a bilateral preferential trade agreement, the UK ought to realise that it is negotiating with what is, in many ways, a developing country, geographically remote and with a small and sparse population, that is overly dependent on fishing and that is highly vulnerable to economic and environmental shocks, and that it is not a negotiation between two equals economically.

Making tariff-free access to the UK market conditional on access for UK fisheries to Greenlandic waters will dramatically affect the economic development of Greenland and increase its reliance on subsidies from Denmark. It will also contradict the stated intention of the UK Government to grow free and fair trade with developing countries, and to boost economic growth and jobs therein. With every quota of fish that is used to bargain with other countries, the chance of Greenland and its economy developing is reduced. As the UK seeks to develop a more socially just trade strategy, and to build a stronger relationship – based on trust and goodwill – with an Arctic country that grows more strategically important to the UK with every passing day, it should recognise that what would be much fairer and more prudent is to decouple its trade negotiations from its fisheries negotiations when it comes to Greenland, so, given the asymmetrical power relations, Greenland is not bullied into paying a significantly higher price for preferential access to the UK market than what even more developed countries pay, and than what the UK would be paying, in effect, for access to Greenland's single most important asset – its fishing zones.

While it is to be welcomed that the UK is extending trade preferences to eligible developing countries through the UK Generalised Scheme of Preferences (GSP), the UK GSP has only three frameworks:

- Least Developed Countries Framework, for countries that the UN classifies as Least Developed Countries (LDCs) – for example, Afghanistan, Bangladesh, Haiti, Kiribati, Sierra Leone, South

Sudan, Somalia, Tuvalu and Vanuatu – imports from which have quota-free access and nil rates of import duty on all goods excluding arms and ammunition.
- General Framework, for countries that the World Bank classifies as low-income and lower-middle income countries (LICs and LMICs) – for example, Algeria, Congo, India, Indonesia, Micronesia, Nigeria and Vietnam – imports from which have reduced rates of import duty on certain goods.
- Enhanced Framework, for countries that the World Bank classifies as low-income and lower-middle income countries (LICs and LMICs), and that are economically vulnerable due to a lack of export diversification and a low level of integration with the international trading system – for example, Bolivia, Cape Verde, Kyrgyzstan, Mongolia, Pakistan, Philippines, Sri Lanka and Uzbekistan – imports from which have a nil rate of import duty on certain goods.

Although Greenland shares much in common with the LDCs, LICs and LMICs, especially those characterised by lack of export diversification and relatively low level of integration with the international trading system, it has not been included within any of the three frameworks of the UK GSP either.

Thus, on 1 January 2021, once EU trade agreements no longer applied to the UK, and the UK Global Tariff replaced the EU's Common External Tariff as the UK's Most Favoured Nation tariff, seafood producers and exporters in Greenland were slapped overnight with tariffs of up to 20%. While the UK did legislate to introduce duty suspensions and autonomous tariff rate quotas (ATQs) on certain products to ensure continuity and minimise disruption, such as retaining five autonomous tariff rate quotas (ATQs) from the EU on fish products, which made limited quantities of certain products eligible for reduced rates, and transitioning another five ATQs to duty suspensions that eliminated volume limits and duties for eligible fish products, Greenland now has to compete against all countries or non-EU countries, as specified, for these quotas on a first-come-first-served basis, with the quotas being met early in the year. Moreover, any quantity of the product surpassing the specified threshold or not meeting the specified eligibility criteria of "processing" or "industrial use" to qualify for tariff reliefs are subject to full tariffs under the UK Global Tariff. Currently, Greenlandic seafood companies fear that even those ATQs, for which their products might be eligible, will run out by late-summer 2022, leaving the UK with no cold-water prawns, for instance, for the Christmas period.

This has meant that substantial duty is now being levied on goods from Greenland entering the UK, including cold-water prawns, cod and haddock, which has compelled Greenlandic companies to significantly lower the prices to the fishermen who supply their factories, an extremely serious situation for hundreds of families spread across Greenland where one cannot simply look for work in other industries. It has also meant that Greenlandic companies have found it difficult even to set a price for their products or bid for tenders due to uncertainties about whether or not their products will be hit by tariffs. When their products are hit by tariffs, it has been difficult to come up with competitive bids due to factors such as other countries already benefiting from reduced or nil tariffs under preferential trade agreements. Several major new tenders and contracts have not been given to Greenlandic suppliers due to the insecurity of not knowing if and when there will be a trade deal. Ultimately, the British consumer will be forced to pay higher prices for Greenlandic fish products, or look for alternatives that may be lower quality and less sustainable. If Greenlandic products grow uncompetitive and get priced out of the UK market, then, given Greenland's vast supply exercising downward pressure on prices, there will be less choice and competition in the UK market, causing prices to soar further.

Furthermore, as there is a substantial value chain that has developed around Greenlandic fish products in the UK, any disruption to UK-Greenland trade has profound consequences for British businesses, such as fish and chips shops, that rely on those products. The traditional British fish and chips shop is a family-run business, which buys frozen at sea fillets of cod, cuts them into portions in the shop, batters those portions, and then fries them to sell to customers. The value addition that the ATQs foresee happening is only for processes on an industrial scale, not the kind that happens in a fish and chips shop. If Greenlandic companies were to take the fish to a large factory, have it prepared there and then sent to fish and chips shops, they might qualify for the ATQ on cod, but as the work is done in the shop, it does not qualify. Nevertheless, it is value addition. These small businesses are currently under great pressure due to raw material prices, and increasing duties on their raw material is certainly not going to help.

Thus, while any disruption in UK-Greenland trade will adversely affect Greenland's fish producers and exporters, it will have a greater negative impact on UK consumers, businesses and regional economies:

- Significantly increasing the prices of fish and fish products in the UK.
- Lowering choice and competition in the UK market.
- Threatening one of the UK's traditional food sources.
- Undermining UK food supply and food security.
- Damaging value chains developed within the UK around products originating in Greenland.
- Weakening local/regional economies in the UK that rely on value addition to seafood products.
- Risking jobs and investments in the UK.
- Undermining seriously the UK Government's Levelling Up agenda.

Moving beyond fish, emerging sectors in Greenland, such as mining, are of great interest to the UK as well. Greenland's vast resource potential, especially in relation to rare earth elements and other critical minerals, makes it strategically important to the UK and its North American and European allies – whether for defence, renewable energy or the tech industry – as they seek to reduce their dependence on China; build secure, stable and sustainable critical minerals supply chains; and embark on a green transition. Today, there are more mining companies in Greenland that are listed or headquartered in, or substantially connected to, the UK than any other country. UK entities are also involved with energy exploration, hydropower and hydrogen development, infrastructure development, export of water and ice, tourism and hospitality, defence and research in Greenland.

In the interest of trade continuity, avoiding further disruption and going further to build a new special relationship, it is vital for the UK and Greenland to negotiate a bilateral trade agreement that replicates the principles and provisions underpinning the EU's arrangement with the OCTs, within the scope of which UK-Greenland trade fell before the UK left the EU. A trade deal between these two outward-looking island countries that share a long and rich history of trade and cultural exchange, both located at the edge of Europe and both incidentally the first to leave the EU, is the easiest deal the UK Government could ever make. Yet, it is a deal that would be crucial to the UK's regional economies, international trade, industrial strategy and business growth, food security, water security, mineral resource security, climate and energy policy, fisheries policy and, indeed, foreign policy and defence and security.

Dwayne Ryan Menezes



Image 1: Riding a dog sled in Greenland © Peter Yan – Visit Greenland

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1. UK-Greenland Trade: A Historical Overview

The UK shares a long and rich history of trade and cultural exchange with Greenland, evident as early as the tenth century, in the emerging network of Norse settlements across the North Atlantic, and more so since the late-sixteenth century, in the exploration of the North-East Passage and North-West Passage and the growing prominence of England and Scotland as whaling nations in the Greenland Sea and Davis Strait fisheries. Over the coming centuries, it was so significantly that the Greenland trade influenced fashions across Britain; contributed to its public health and sanitation; lit up its homes, mills, streets, towns, ports and warehouses; powered the Industrial Revolution; and granted the UK and its allies a strategic advantage in global wars that it would not be far-fetched to say that Greenland played a pivotal role in the making of modern Britain.



Image 2: The Lewis Chessmen, British Museum
© The Trustees of the British Museum CC BY-NC-SA 4.0

For anyone seeking to probe the early ties between the UK and Greenland, there are few artefacts more captivating than the world-famous Lewis chessmen, created in the 12th century and discovered in 1831 on Lewis in the Outer Hebrides. Although their precise origin is still debated, these chess pieces, which now sit at the British Museum in London and the National Museum of Scotland in Edinburgh, are believed to have been fashioned in Norway, from walrus ivory and whale teeth harvested in Greenland, before they may have been hidden or lost in the Outer Hebrides, probably en route to a Norse settlement in Ireland. They indicate how interconnected the Norse settlements – despite their independence – may have been, weaving together places as far apart as Greenland, Iceland, Faroe Islands, the Inner and Outer Hebrides, the Isle of Man, the Islands of the Firth of Clyde, Caithness, Sutherland, Orkney, Shetland and Norway in a North Atlantic web.

However, it was mainly from the 16th century that there emerged a growing number of English scholars, merchants and adventurers who called for a new focus on the North, which led eventually to a greater interest in Greenland.[1] In 1531, Robert Thorne, a merchant and cosmographer, wrote to Henry VIII, "there is left one way to discover, which is into the North: for that of the foure parts of the worlde it seemeth three partes are discovered by other Princes."[2] 10 years later, Roger Barlow, another merchant and adventurer, urged that England looks to the "waie of the North", given the "waie of the orient" and "waie of the occydent" had been assigned already.[3] The increasing interest in Northern routes in subsequent decades, driven by the promise of shorter voyages to Asia and North America and the prospect of new lucrative markets for England's woollen cloth, led to the creation of the Muscovy Company and triggered what would become a centuries-long fascination with Arctic exploration across the British Isles. The early expeditions to both the east and west of Greenland opened up new possibilities for Greenland trade, arising especially from whaling and sealing, in the Greenland Sea on the one hand and in the Davis Strait on the other.

What drove the Greenland trade in Britain was the demand for whale oil and whalebone. Whale oil was used to make soap from at least the 16th century.[4] It was also used in candles and oil lamps that lit up Britain's

1 Wallis, H., "England's Search for the Northern Passages in the Sixteenth and Early Seventeenth Centuries", *Arctic*, Vol. 37, No. 4, Unveiling the Arctic (December 1984), pp.453-72.

2 Thorne, R., "A declaration of the Indies…", in Hakluyt, R., *Divers Voyages touching the discoverie of America* (London, 1582).

3 Taylor, E.G.R. (ed.), *A Brief Summe of Geographie, by Roger Barlow* (London: Hakluyt Society, 1932).

4 Jackson, G., *The British Whaling Trade* (Liverpool: Liverpool University Press, 2005), p.17.

expanding ports, towns and cities: benefiting from the Greenland trade, by 1713, Hull was lit by streetlights, and by the 1740s, London was arguably the best lit city in the world, with more than 5,000 street lamps.[5] Over the course of the 18th and 19th centuries, the woollen textile industry, which grew rapidly during the Industrial Revolution, required large volumes of whale oil to cleanse wool before it was spun into yarn. Even if whale oil was not suitable for the manufacture of fine cloths, it worked well on coarse cloths, prompting its use to process army cloth and jute. From the 1820s, Scotland developed a flourishing jute industry, with Dundee hosting 62 jute mills employing around 50,000 workers at one point. As Dundee's imports of jute grew from 30,000 tonnes in the mid-1850s to more than 200,000 tonnes in the late-1880s and 1890s, so did its whaling industry, needing to supply the jute mills with whale oil.[6] Britain needed whale oil to lubricate the machinery in its burgeoning mills, factories and mines; light up its lighthouses; and supply paint, putty and varnish to its buildings. The Greenland trade, thus, was a major driver of the Industrial Revolution, which shaped modern Britain and the world.

The Greenland trade also influenced women's fashion in Britain over the centuries, with whalebone being used in the Spanish farthingales popular from the 1530s to the 1580s; the French farthingales popular from the 1580s to the 1620s; the evolving bodies, stays and bodices of the 16th-18th centuries; the hoop petticoats that grew fashionable in 1709 and died out by 1820; the Victorian crinolines, crinolettes, bustles and corsets of the mid- and late-19th centuries; and the Edwardian high collars and bust bodices of the early-20th century; before they gave way to the lighter girdles of the 1920s and 1930s. The Greenland trade also influenced men's fashion in Britain: while whalebone had been used to stiffen men's corsets, waistcoats and collars, the Scottish Highlanders long used sealskin to make the sporrans worn over the kilts in traditional Highland dress. The interdependence between the Scottish sporran-making industry and the sealskin producers in Greenland, Canada and Norway is further evidence of the strong cultural and economic connections between the UK and the Arctic, and it explains why the EU's 2009 ban on importing seal products was met with opposition in both Greenland and Scotland. Whalebone also made its way to hooped bonnets, umbrella spines, spectacle frames, walking sticks, combs, cutlery, sieves, fine nets, fishing rods, fences, ornamental blinds, upholstery, bed-springs and bed-bottoms, brushes, carriage springs and carriage whips, reflecting the extent to which the Greenland trade influenced daily life, culture and luxury in modern Britain.



Image 3: Boned bodice using whalebone, England, 1660s
© Victoria and Albert Museum, London.

Ports across the length and breadth of Britain were involved in the Greenland trade. Dispatching 71% of England's and 51% of Britain's whalers in 1753, London was the single most important centre of whaling. Following the American Revolution, the number of Greenland whalers in Britain grew from 44 in 1782 to 102 in 1784: by 1787-88, there were 250 British vessels engaged each year in the Greenland fishery, involving 23 ports (13 in England and 10 in Scotland) and employing around 10,000 men.[7] Other important English and Welsh centres of the Greenland trade were Hull, Yarmouth, Liverpool, Newcastle, Whitby, Sunderland, Stockton, Grimsby, King's Lynn, Ipswich, Berwick, Exeter, Dartmouth, Scarborough, Milford Haven and Whitehaven. Between 1753 and 1833, Whitby was home to 55 whaling ships that brought back 25,000 seals and 2,761 whales.[8] Scotland played a key role in Arctic whaling in the Greenland Sea, Davis Strait, Baffin Bay and Newfoundland. Between 1750 and 1910, there were 3,641 whaling voyages cleared from 16 Scottish centres.[9] Scottish ports with Greenland connections include Edinburgh (Leith, Borrowstounness,

5 Jackson, G., *The British Whaling Trade* (Liverpool: Liverpool University Press, 2005), p.49.
6 Jackson, G., *The British Whaling Trade* (Liverpool: Liverpool University Press, 2005), p.135.
7 Jackson, G., *The British Whaling Trade* (Liverpool: Liverpool University Press, 2005), pp.61, 64.
8 "The Era of Daring Whitby Whalers", *Whitby Gazette*, 6 December 2016.
9 Whaling History, "Scottish Arctic Whaling Voyages": https://whalinghistory.org/sv/voyages/

Grangemouth and Queensferry), Glasgow, Campbeltown, Aberdeen, Dunbar, Dundee, Greenock, Anstruther, Montrose, Alloa, Peterhead, Banff, Kirkcaldy, Kirkwall, Burntisland and Fraserburgh.

Several places in Greenland even today bear the names of British explorers and scholars, as well as their patrons, perhaps most famously Davis Strait, Nares Strait, Baffin Bay and Melville Bay. Many of Greenland's most prominent geographic features also carry British toponyms, such as its highest mountain range (Watkins Range), its third largest island (Milne Land), the world's largest fjord system (Scoresby Sund) and the world's only fjord fed by four glaciers (Wolstenholme Fjord) – "the world's largest ice machine". Conversely, reflecting Britain's long history of exploration, whaling and fishing in and around Greenland, there are places and features across the UK that still incorporate Greenland in its name, such as Greenland Dock in London, Greenland Street in Liverpool, Greenland Fishery Hotel in Cheshire and Greenland Fishery House in King's Lynn. What is particularly noteworthy is the extent to which Greenland looms large in British traditional music, from sea shanties, such as *The Greenland Whale Fishery*, *Farewell to Tarwathie*, *The Cold Coast of Greenland* (also *The Sperm Whale Fishery*), *The Twenty-Third of March* (also *The Whale Catchers*), *The Bonny Ship the 'Diamond'*, *Greenland Bound* and *The 'Balaena'*, to hymns, such as *From Greenland's Icy Mountains*.

Table 1: Places in Greenland with British Names	
Straits	Davis Strait (after John Davis), Nares Strait (after Vice-Admiral Sir George Nares)
Sounds	Davy Sound (Sir Humphry Davy), Bylot Sound (Robert Bylot), Smith Sound (Sir Thomas Smythe), Murchison Sound (Roderick Murchison), Young Sound (Thomas Young)
Bays	Baffin Bay (William Baffin), Melville Bay (Robert Dundas, 2nd Viscount Melville), North Star Bay (HMS North Star), Mackenzie Bay (Sir George Steuart Mackenzie)
Fjords	Scoresby Sund (William Scoresby), Wolstenholme Fjord (Sir John Wolstenholme), Inglefield Gulf (Edward Augustus Inglefield); Fleming Fjord (John Fleming), Courtauld Fjord (Augustine Courtauld), Watkins Fjord (Gino Watkins)
Islands	Milne Land (Admiral Sir David Milne), Clavering Island (Douglas Clavering), Carey Islands (Allwyn Carey), Franklin Island (Sir John Franklin), Crozier Island (Francis Crozier) and Saunders Island (Captain James Saunders)
Peninsulas	Hudson Land (Henry Hudson), Liverpool Land (Liverpool), Jameson Land, Lyell Land (Sir Charles Lyell)
Mountain Ranges	Watkins Range (Gino Watkins), Lemon Range (Captain Percy M. Lemon), Prince of Wales Range, Murchison Range (Roderick Murchison)
Glaciers	Courtauld Glacier (Augustine Courtauld), Wordie Glacier (Sir James Wordie)

By the early-20th century, hydrogenation had allowed for oil to be hardened into a solid fat, providing impetus to the production of soap and also margarine. During the First World War, Britain also used whale oil to derive the glycerine necessary to make the cordite used in its artillery shells and small arms ammunition; make high-quality lubricants for its rifles, military machines, watches and chronometers; manufacture jute fabric sandbags to line its trenches; protect its soldiers from trench foot and the cold; and supply margarine and soap for domestic consumption.[10] By this time, however, the focus of British whaling had long since shifted from Greenland to waters new, and as the century progressed, the industry itself waned in relevance and popularity. By the second half of the 20th century, other fisheries, such as prawns, cod, haddock and crab, came to dominate Greenland's trade with the UK so entirely that Greenland has re-emerged as one of the UK's most important trade partners for fish and fish products and, consequently, one of the UK's largest food sources, integral to the UK's food security. Many of the UK's most iconic dishes, such as fish and chips and fish pies, and most popular seafood preparations, such as prawn cocktails and prawn sandwiches, often use fish and fish products originating in Greenland.

So pivotal is the fisheries sector now to Greenland's external trade that, in 2020, Greenland's fish exports accounted for approximately 91.38% of Greenland's total goods exports, by value, while the sector itself accounted for around 25-30% of Greenland's GDP, direct, indirect and induced effects. If the block grant from Denmark is excluded from the equation, then fisheries' share of Greenland's GDP is estimated to be

[10] Imperial War Museum, "Why whales were vital in the First World War": https://www.iwm.org.uk/history/why-whales-were-vital-in-the-first-world-war

as high as 70-80%. Furthermore, the UK is one of the largest markets for Greenland's fish and fish products. Just Greenland's exports to the UK – comprising almost entirely of fish exports – was valued at around GBP 72.7 million (DKK 610.1 million) in 2020, accounting for over 11.5% of Greenland's total exports and more than 12.5% of Greenland's fish exports that year. The UK today is a significant market for Greenland's cold-water prawns, particularly cooked and peeled (C&P), as well as cod and haddock: in 2019, Greenland's exports of C&P cold-water prawns to the UK accounted for 35.24% of Greenland's total exports of C&P cold-water prawns, while its exports of cod to the UK accounted for 27.71% of its total exports of cod, by value. There is also a substantial value chain that has developed around Greenlandic seafood in the UK, one that includes UK importers, processors, manufacturers, traders, distributors, wholesalers, retailers and foodservice channels (such as fish and chips shops, pubs and restaurants).

Moving beyond fisheries, Greenland's vast potential in other valuable resources, such as minerals and oil and gas, has also attracted British interest. Geologists, prospectors and explorationists from the UK have been instrumental in surveying and mapping the geology, as well as energy and mineral resources, of Greenland for the better part of two centuries. UK energy firms, such as BP, Royal Dutch Shell and Cairn Energy, have been a key feature of Greenland's oil and gas exploration landscape. Likewise, the largest UK mining firms, Glencore, BHP, Rio Tinto and Anglo American, have been involved in Greenland at various points. The UK remains relevant to Greenland today as a world-leading centre of energy and mining expertise, the leading centre of global energy and mining finance, and home to some of the world's biggest and most visible energy and mining companies.

In 2021, the Government of Greenland announced a moratorium on oil and gas exploration, ceasing to issue new licenses, with the four active exploration and exploitation licenses – all held by British firms (Panoceanic Energy and Greenland Gas & Oil) – expiring in 2027 and 2028. Later that year, Greenland approved two hydropower projects that would enable it to produce 90% of its power from renewable resources and invited investors to bid for new hydropower projects. UK actors have already expressed interest in hydropower and hydrogen development, as well as the development of green transportation, in Greenland. The UK interest in the mining sector is even more pronounced, with more mining companies holding mineral exploration and prospecting licenses in Greenland listed/headquartered in, or substantially connected to, the UK than any other country (a clear majority). There are also a number of UK entities engaged in other sectors, including export of ice and water, infrastructure development, creative industries, sports, tourism and hospitality, research and media.

Over the past 50 years, Greenland's formal relationship with the UK has been determined, to a large extent, by its status within the Kingdom of Denmark and by its relationship with the EU. In 1982, three years after obtaining Home Rule from Denmark in 1979, Greenland held a referendum on its membership of the EEC, with 53% of the voters voting against continued membership. Three years later, in 1985, the Greenland Treaty formalised Greenland's withdrawal from the EEC, making it the first country to leave the EEC (EU) by referendum. Although it was no longer a member of the EEC, Greenland was still an autonomous constituent realm within the Kingdom of Denmark, with Denmark remaining a member of the EEC, enabling Greenland to become an Overseas Country and Territory (OCT) to the EEC in 1985.

Along with other OCTs, Greenland secured free access to the EU's Single Market through the EU-OCT arrangement and has benefited from tariff-free, quota-free preferential access to the EU, including the UK while it was still an EU member state. It is worth noting that Greenland had already secured access to the EU Internal Market (now Single Market) – before the rest of the OCTs had secured the same through the EU-OCT arrangement – through the Greenland Treaty of 1985, which places the condition on Greenland that the EU must have satisfactory access to Greenland fishing zones for free market access, while the EU is to compensate Greenland financially for the fishing quotas. Thus, while Greenland is also covered by the EU-OCT arrangement, it has additional provisions and conditions through the Greenland Treaty.

On 23 June 2016, the UK held a referendum on its membership of the EU, with a majority of 51.9% voting in favour of the UK leaving the EU. On 31 January 2020, the UK formally left the EU, though it entered a transition period until 31 December 2020 during which it remained in the EU's Single Market and Customs Union. The UK's withdrawal from the EU has had serious implications for UK-Greenland trade: in the absence of a bilateral trade agreement that replicates the principles and provisions in the EU-OCT

arrangement that underpinned UK-Greenland trade, there has been significant trade disruption. On 1 January 2021, EU trade agreements no longer applied to the UK, and the UK Global Tariff replaced the EU's Common External Tariff as the UK's Most Favoured Nation tariff. Overnight, Greenlandic seafood exporters were slapped with tariffs of up to 20%.

While the UK did introduce temporary tariff measures to ensure continuity and minimise disruption, such as retaining five autonomous tariff rate quotas (ATQs) from the EU on fish products, which made limited quantities of certain products eligible for reduced rates, and transitioning another five ATQs to duty suspensions that eliminated volume limits and duties for eligible fish products, Greenland now has to compete against all countries or non-EU countries, as specified, for the quotas on a first-come-first-served basis, with the quotas met early in the year. Moreover, any quantity surpassing the specified threshold or not meeting the specified eligibility criteria of "processing" or "industrial use" to qualify for tariff reliefs are subject to full tariffs under the UK Global Tariff.

As the future of UK-Greenland trade hangs in the balance, what is crucial is a bilateral UK-Greenland trade agreement that ideally replicates the principles and provisions in the EU-OCT arrangement.

2. The Economy of Greenland: The Importance of Fish

- In 2020, Greenland had a nominal GDP of DKK 20.1236 billion (around USD 3.08 billion, at the annual average DKK to USD exchange rate in 2020).[11]
- Denmark provides Greenland with an annual block grant of ~DKK 3.9 billion (~USD 600 million), which accounts for ~20% of Greenland's GDP and more than 50% of its central public budget (or ~35% of its total public budget, including municipalities).
- Greenland's economy is characterised by the dominance of a few sectors: fishing and related industries generate around a third of the revenues generated by companies in Greenland, with wholesale and retail trade following suit closely, generating just under a third of the revenues.
- Apart from being a major source of revenue, fisheries is a major source of employment, accounting for a fifth or sixth of the total employment (see below), and is crucial to Greenland's external trade, accounting for 91.38% of Greenland's total exports.
- The Government of Greenland seeks greater economic growth and resilience through economic diversification: developing the full fisheries value chain, while attracting investment in sectors such as mining, clean energy, infrastructure development (ports, airports, roads), tourism and research.
- This chapter shall paint a picture of the business landscape, the employment landscape, the trade landscape and the investment landscape in Greenland, highlighting the importance of fish in each.



Image 4: A fly fisherman enjoying the day on the river Erfalik in Greenland. © Mads Pihl – Visit Greenland

2.1. Business Landscape:

- There were 3,669 businesses in Greenland in 2020, with fishing and other related activities accounting for more than half of them (1,938).
- Following suit were construction (231); wholesale and retail trade (201); professional, scientific and technical activities; transportation and storage; administrative and support services; accommodation and food service; information and communication; healthcare and social services; real estate; culture, recreation and sports services; education; and financial and insurance activities.
- Fishing and related industries account for around a third of the revenues generated by companies in Greenland, while wholesale and retail trade generates just under a third of the revenues.[12]

[11] All tables and statistics provided in this chapter are compiled from data at Statistics Greenland, unless otherwise specified. https://bank.stat.gl/pxweb/en/Greenland/

[12] *Greenland in Figures 2021* (Statistics Greenland, 2021), p.23.

- The gross value added, generated by companies, is greatest within fishing and other related industries, accounting for a third of the total value added in Greenland.[13]
- When it comes to growth contribution to GDP (calculated as product taxes minus product subsidies) in 2020, then the construction industry made the most positive growth (0.84%) in 2020, followed by fishery and hunting (0.56%).

- *Key Actors:*
    - Greenland's business landscape is characterised by the presence of a few large and ubiquitous publicly owned enterprises, such as Royal Greenland A/S (fish), KNI A/S (retail and oil), Royal Arctic Line A/S (maritime transport), Air Greenland (air transport) and Tele Greenland A/S (telecommunications), which are the five largest companies that have 100% Government of Greenland ownership.
    - Greenland's fishing industry is dominated by two companies: government-owned Royal Greenland (see Chapter 3 for more) and privately-owned Polar Seafood.
    - Trading since 1774, Royal Greenland, which is 100% owned by the Government of Greenland, is the oldest and largest fishing company in Greenland, the largest employer in Greenland and the world's largest supplier of cold-water prawns and Greenland halibut.
    - Established in 1984, Polar Seafood is the largest privately owned fishing company in Greenland, the largest privately owned company in Greenland more generally, one of the largest employers in Greenland and one of Scandinavia's leading seafood exporters. It employs more than 1,300 people, mostly in Greenland, with just the two prawn factories producing its main product for the UK market – namely cooked and peeled prawns – employing around 250 employees.
    - Among the newer actors is Arctic Prime Fisheries, founded in 2007. While it is much smaller than Royal Greenland and Polar Seafood, it is the largest privately owned company in Southwest Greenland and the only seafood company in the whole of East Greenland. Its primary product is cod, which, along with its quotas for other demersal fish species and yearly pelagic quotas, allows it to create and sustain around 160 full-time jobs in Southwest and East Greenland, and on board its vessels. In 2020, it also had 209 independent and local fishermen supplying their daily catch to its four seafood processing plants. Thus, more than 360 families depend on its continued operations and presence in the region.



Image 5: Fishing trawler near Tasermiut. © Aningaaq R Carlsen – Visit Greenland

[13] *Greenland in Figures 2021* (Statistics Greenland, 2021), p.23.

2.2. Employment Landscape:

- Many people in Greenland work in more than one sector over the course of a year, so the labour market may be best understood through the numbers of permanent residents engaging in main employment for at least one month in a year, and of permanent residents employed in their main and second employment on average per month.
- Fishing and related industries comprised the single largest employer outside government in 2020, accounting for more than a fifth of the total number of permanent residents working in a particular sector as their main employment for at least one month in a year, nearly a sixth of the total number engaged in a sector as main employment on average per month, and more than a fifth of the total number engaged in a sector as secondary employment on average per month.
- At the municipal level, some municipalities are much more dependent on fishing and related industries as a source of employment than others: of the total number of permanent residents mainly employed in one sector for at least one month in a year, the proportion of those employed by fishing and related industries ranges from two-fifths in Avannaata, to around two-sevenths in Qeqertalik, to a quarter in Qeqqata, to a seventh in Kujalleq, and to an eighth in Sermersooq.



Image 6: Three fishermen at a fishing spot in Ilulissat icefjord. © Aningaaq R Carlsen – Visit Greenland

- *Permanent residents engaging in main employment for at least one month in a year in 2020:*
    - In 2020, there were 33,883 permanent residents in Greenland engaged in their main employment for at least one month in a year.
    - The government was the single largest employer in this regard, with 16,181 permanent residents working in public administration for at least one month in a year.
    - *Fisheries:* At the national level, fishing and related industries comprised the largest employer outside government in this regard, with 7,219 permanent residents working in fishing and related industries for at least one month in a year, accounting for more than 21% of the total workforce in this regard.
    - At the municipal level, the total number of permanent residents working in fishing and related industries for at least one month in a year was:
        1. Avannaata Kommunia: 2,516 of 6,511 (nearly 39%)
        2. Qeqertalik Kommune: 1,043 of 3,721 (around 28%)
        3. Qeqqata Kommunia: 1,392 of 5,725 (nearly 25%)
        4. Kommune Kujalleq: 513 of 3,712 (nearly 14%)
        5. Kommuneqarfik Sermersooq: 1,754 of 14,162 (nearly 12.5%)

- Wholesale and retail trade was the next largest employer in this regard, with 5,674 permanent residents working in wholesale and retail trade for at least a month in a year, accounting for around 16.75% of the total workforce in this regard.
- Outside of fishing and retail, the largest employers of permanent residents engaging in such employment as their main employment for at least a month in a year were construction (3,143); transportation and storage (3,008); accommodation and food services (1,506); administrative and support service activities (1,013); information and communication (826); energy and water supply (621); manufacturing (510); real estate activities (488); professional, scientific and technical activities (466); financial and insurance activities (287); agriculture, forestry and related industries (252); and mining and quarrying (170). Another 796 worked in other service industries.

- *Permanent residents engaging in main employment on average per month in 2020:*

  - In 2020, there were 26,808 permanent residents in Greenland engaged in their main employment on average per month.
  - The government was the single largest employer in this regard, with 11,527 permanent residents working in public administration on average per month.
  - *Fisheries:* At the national level, fishing and related industries comprised the largest employer outside government in this regard, with 4,136 permanent residents working in fishing and related industries as their main employment on average per month, accounting for more than 15% of the total workforce in this regard.
  - At the municipal level, the total number of permanent residents working in fishing and related industries as their main employment on average per month was:
    1. Avannaata Kommunia: 1,586 of 5,038 (around 31.5%)
    2. Qeqertalik Kommune: 529 of 2,804 (around 19%)
    3. Qeqqata Kommunia: 780 of 4,556 (around 17%)
    4. Kommune Kujalleq: 252 of 2,794 (around 9%)
    5. Kommuneqarfik Sermersooq: 988 of 11,568 (around 8.5%)
  - Wholesale and retail trade was the next largest employer in this regard, with 3,011 permanent residents working in wholesale and retail trade as their main employment on average per month, accounting for more than 11% of the total workforce in this regard.
  - Outside of fishing and retail, the largest employers of permanent residents engaging in such employment as their main employment on average per month were construction (2,039); transportation and storage (2,004); accommodation and food services (708); information and communication (605); administrative and support service activities (490); energy and water supply (444); professional, scientific and technical activities (302); real estate activities (282); manufacturing (246); financial and insurance activities (218); mining and quarrying (94); and agriculture, forestry and related industries (75). Another 353 worked in other service industries.

- *Permanent residents engaging in secondary employment on average per month in 2020:*

  - In 2020, there were 2,297 permanent residents in Greenland engaged in secondary employment on average per month.
  - The government was the single largest employer in this regard, with 665 permanent residents working in public administration as their secondary employment on average per month.
  - *Fisheries:* Fishing and related industries comprised the largest employer outside government in this regard, with 493 permanent residents working in fishing and related industries as their secondary employment on average per month, accounting for nearly 21.5% of the total workforce in this regard.
  - Wholesale and retail trade was the next largest employer in this regard, with 275 permanent residents working in wholesale and retail trade as their secondary employment on average per month, accounting for around 12% of the total workforce in this regard.

- Outside of fishing and retail, the largest employers in this regard were transportation and storage (148); accommodation and food services (134); construction (124); information and communication (77); administrative and support services (71); manufacturing (33); real estate (33); professional, scientific and technical activities (26); energy and water supply (22); financial and insurance activities (11); mining and quarrying (7); and agriculture, forestry and related industries (4). Another 173 worked in other service industries.



Image 7: Blue Water Shipping servicing an Ocean Prawns trawler in Sisimiut. © Mads Pihl – Visit Greenland

2.3. Trade Landscape:

- In 2020, as reflected in Table 2, Greenland's fish exports (around DKK 4.85 billion) accounted for 91.38% of Greenland's total exports of goods (around DKK 5.30 billion) by value.
- As reflected in Table 3, which includes fish products under heading 3 and other relevant headings, the most important species (by value) are prawns, Greenland halibut, cod, mackerel and snow crab.

Table 2: Value of import and export by SITC, 2020 (DKK)

	2020	
	Import	Export
0-97 Total	**6,218,076,943**	**5,304,735,832**
00-09 Provisions and livestock, total	944,682,595	4,861,448,638
03 Fish (not marine mammals), crustaceans, molluscs and aquatic invertebrates, and preparations thereof	*39,607,330*	*4,847,477,534*
11-12 Alcoholic beverages and tobacco, total	182,793,984	16,736
21-29 Raw materials, inedible, total	45,789,554	6,824,167
32-35 Mineral fuels and lubricants, etc., total	508,522,533	79,360
41-43 Animal or vegetable fats and oils, total	8,060,126	-
51-59 Chemicals and chemical products	336,749,943	324,275
61-69 Manufactured products, mainly semi-manufactured products, total	870,332,615	13,192,840
71-79 Machinery and transport equipment, total	2,592,421,537	326,187,175
81-89 Manufactured products, total	602,500,319	5,117,067
93-97 Miscellaneous articles and transactions, total	126,223,737	91,545,574

Source: http://bank.stat.gl/pxweb/en/Greenland/Greenland__IE/IEXSITC.px

Table 3: Exports of fish products from Greenland			
	2020		
	DKK	GBP	Tonnes
Exports of fish products, total	**4,861,619,000**	**580,136,995**	**182,953**
Prawns total	**2,373,606,000**	**283,242,404**	**69,152**
Shell prawns, frozen	*1,355,497,000*	*161,751,457*	*50,112*
Prawns, cooked and peeled (C&P)	*1,018,110,000*	*121,491,066*	*19,040*
Other prawns	*0*	*0*	*0*
Cod total	**420,296,000**	**50,153,922**	**16,659**
Cod, frozen whole	*299,288,000*	*35,714,037*	*13,778*
Cod, dried or salted/whole or fillet	*6,554,000*	*782,089*	*220*
Cod, frozen fillet	*113,869,000*	*13,587,988*	*2,554*
Other cod	*583,000*	*69,569*	*106*
Greenland halibut total	**1,437,755,000**	**171,567,304**	**39,125**
Greenland halibut, frozen whole	*1,158,425,000*	*138,234,855.25*	*32,095*
Greenland halibut, fillet	*161,158,000*	*19,230,984*	*2,317*
Greenland halibut, smoked	*0*	*0*	*0*
Greenland halibut, n.e.s.	*118,172,000*	*14,101,465*	*4,713*
Crabs	**166,420,000**	**19,858,899**	**1,559**
Lumpfish caviar	**77,039,000**	**9,193,064**	**983**
Other fish total	**357,807,000**	**42,697,109**	**53,154**
Capelin (fresh or frozen)	*283,000*	*33,770*	*12*
Wolffish (fresh or frozen)	*1,624,000*	*193,792*	*156*
Atlantic halibut (fresh or frozen)	*937,000*	*111,812*	*25*
Haddock (fresh or frozen)	*16,670,000*	*1,989,231*	*708*
Redfish (fresh or frozen)	*17,329,000*	*2,067,870*	*1,039*
Coalfish (fresh or frozen)	*3,673,000*	*438,299*	*251*
Atlantic herring (fresh or frozen)	*32,079,000*	*3,827,987*	*4,816*
Greenland cod (fresh or frozen)	*0*	*0*	*0*
Mackerel (fresh or frozen)	*245,809,000*	*29,332,387.97*	*26,503*
Other fishes n.e.s. (frozen)	*39,402,000*	*4,701,841*	*19,644*
Other fish products total	**28,696,000**	**3,424,294**	**2,321**
Other fish products	*14,554,000*	*1,736,729*	*142*
Fish meal	*13,946,000*	*1,664,176*	*2,175*
Fish oil	*0*	*0*	*0*
Residual products of fish, fish waste	*196,000*	*23,389*	*4*

Source: Greenland Statistics. www.stat.gl

2.4. Investment Landscape:

- If one were to consider only limited or private limited companies and foreign branches, then, of all the sectors in Greenland's economy, fishing and related industries had the greatest net investment in 2020.
- If one were to look solely at investment (not disinvestment), then transportation and storage attracted the highest investment (DKK 1,599,192), followed by fishing and related industries (DKK 1,183,939); real estate (DKK 945,487); wholesale and retail trade (DKK 314,874); construction (DKK 212,465); information and communication (DKK 145,177); accommodation and food services (DKK 128,284); professional, scientific and technical activities (DKK 118,136); mining

and quarrying (DKK 63,584); administrative and support services (DKK 48,093); financial and insurance activities (46,788); and manufacturing (DKK 13,343).

- However, if one were to consider both investment and disinvestment, and to focus, thus, on net investment, then fishing and related industries had the greatest net investment (DKK 773,482), followed by transportation and storage (DKK 763,627) and then real estate (DKK 451,722).



Image 8: Fishing boat by Uummannaq island. © Aningaaq R Carlsen – Visit Greenland

3. UK-Greenland Trade: The Dominance of Fish and Fish Products

3.1. The Importance of the UK as an Export Market for Greenland

- The export of fish and fish products makes up almost all of Greenland's current exports to the UK.
- In 2020, Greenland's exports to the UK were valued at DKK 610.1 million (more than GBP 72.7 million), accounting for 11.5% of Greenland's total exports and more than 12.5% of Greenland's fish exports in particular.
- In 2021, Greenland exported 12,283 tonnes of fish products of Greenlandic origin to the UK, valued at DKK 669.2 million (around GBP 77.4 million).
- In 2022, Greenland is expected to export around 16,590 tonnes of fish products of Greenlandic origin to the UK, valued at DKK 1,108.3 (roughly GBP 124.7 million).
- The 2019 figures would have been even greater than the 2020 and 2021 figures as two main customer areas – Industry and Food service (hospitality) – were greatly affected by the Covid-19 pandemic.
- Greenland's fish exports to the UK, moreover, is surpassed only by its fish exports to the EU27, China (~DKK 1.5 billion) and Japan (~DKK 800 million), making the UK its 4th largest export partner.

Table 4: Greenland's fish exports by value, 2020-2022		
	DKK	GBP
2022		
Fish exports to UK	*1,108,300,000*	*124,668,166*
2021		
Fish exports to UK	*669,200,000*	*77,364,162*
2020		
Total exports of goods to the world	*5,304,735,832*	632,268,872
Total fish exports to the world	*4,847,477,534*	577,768,478
Fish exports to UK	*610,100,000*	*72,717,521*

3.2. The Importance of Greenland as an Import Source for the UK

- While the UK is a major fish producer and has some of the most bountiful fishing grounds in its waters, the UK famously exports much of what it catches and imports much of what it consumes.
- Much of the UK's fish imports do not detract from UK fishermen or the UK fishing industry, because the demand in the UK is much greater than what UK fisheries can supply.
- In 2020, the UK imported 686,000 tonnes of seafood to the value of GBP 3.2 billion.[14]
- The UK imports a considerable quantity of the seafood it consumes from its North Atlantic and Arctic neighbours: Iceland, Greenland, Faroe Islands, Denmark, Norway and Sweden.
- Denmark (with Greenland included, in UK trade statistics) is consistently among the UK's Top 10 import sources, with a large portion of Denmark's fish exports to the UK originating in Greenland.[15]
- The importance of Greenland as an import source for the UK is even greater than it appears, as:
  - Greenland is nearly always included within Denmark for the purposes of UK trade statistics, thus making it difficult to distinguish exports from Greenland from exports from Denmark.
  - Most of Greenland's fish is sent mainly to Denmark for clearing and/or processing/repackaging, and some to other countries, such as Poland, Germany and Ukraine, for processing, before being re-exported to the UK, so there may be a significant portion of fish exports from Denmark and other countries to the UK comprising fish or fish products originally from Greenland.

[14] Seafish, *2020 UK Seafood Import Factsheet Finalised Data* (September 2021).
[15] Seafish, *2020 UK Seafood Import Factsheet Finalised Data* (September 2021).

- Volumes sold into the UK from Greenland can be lost in the volumes of products going via Denmark in official figures.
- A large part of Greenland's fish exports to the UK are semi-finished products that are further processed in the UK and create values and jobs locally in the UK.

3.3. What Fish and Fish Products does Greenland export to the UK?

- Among the top species imported into the UK from Greenland are cold-water prawns, cod, haddock, Greenland halibut and snow crab.

Table 5: Export / Sales of fish products from Greenland to the UK

Fish products with Greenland origin

Product	Total quantity, tonnes		Sales value, DKK (millions)	
	2020	2021	2020	2021
Prawns, Cooked & Peeled (C&P)	7,582.0	7,596.0	445.8	462.9
Prawns, shell on	194.6	344.0	5.4	9.0
Prawns, brined	28.4	0.0	3.7	0.0
Cod fillet	3,267.0	4,343.0	146.4	197.3
Haddock fillet	158.0	0.0	5.8	0.0
Greenland halibut	1.3	0.0	0.1	0.0
Snow Crab	19.7	0.0	3.0	0.0
Total	**11,251**	**12,283**	**610.1**	**669.2**

The figures are based largely on sales of Royal Greenland and Polar Seafood, which dominate the fishing industry in Greenland and Greenland's fish exports to the UK. They also include data from Arctic Prime Fisheries (APF), which, in 2020, bought a large modern factory trawler that produces frozen-at-sea cod fillets to sell to the UK's fish and chips market.

- *Cold-water prawns:*
  - Much of the cold-water prawns consumed in the UK come from Greenland, which serves as the UK's principal cold-water prawn basket.
  - Cooked and peeled (C&P) prawns are particularly popular.
  - In 2019, Greenland's exports of C&P cold-water prawns to the UK (valued at nearly GBP 50 million or DKK 421 million) accounted for more than a third (35.24%) of Greenland's total exports of C&P cold-water prawns (valued at nearly GBP 140.5 million or DKK 1.2 billion).

- *Cod and haddock:*
  - Greenland is also a significant source of cod and, to a lesser extent, haddock for the UK, species associated with the UK's most iconic dishes, such as fish and chips and fish pie.
  - In 2019, Greenland's cod exports to the UK by value (nearly GBP 16.5 million or DKK 140 million) accounted for over a quarter (27.71%) of Greenland's total cod exports by value (nearly GBP 60 million or DKK 504 million).
  - Furthermore, much of Greenland's cod and haddock exported to the UK are fillets, for which 1 kg of product requires approximately 3 kg of cod or haddock in live weight caught from the sea.
  - Greenland's haddock exports to the UK grew from 113 tonnes in 2018, to 139.7 tonnes in 2019, to 158 tonnes in 2020, before falling to negligible in 2021, and is expected to rise in 2022.

- *Snow crab:*
  - The export of snow crab from Greenland to the UK grew from 2.9 tonnes in 2018, to 9.3 tonnes in 2019, to 19.7 tonnes in 2020. While the Covid-19 pandemic disrupted trade in 2021, the export of snow crab from Greenland to the UK is expected to grow in 2022.

- *Greenland halibut:*
    - The export of Greenland halibut from Greenland to the UK grew from 4 tonnes in 2018 to 11.1 tonnes in 2019, before falling to just 1.3 tonnes in 2020 and a negligible amount in 2021 due to pandemic-related disruptions, though it is expected to rise in 2022.

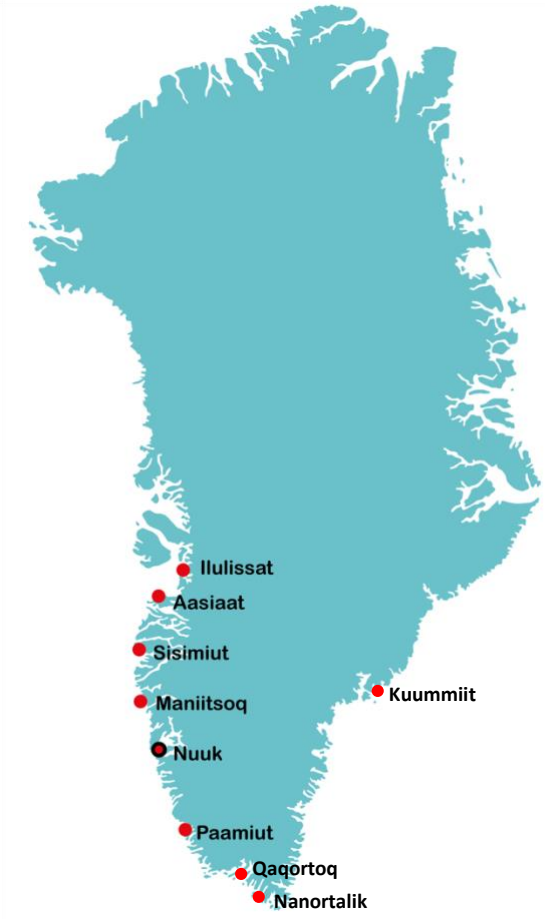


Image 9: Greenland cold-water prawns at Polar Seafood's prawn processing factory. © Polar Seafood



Image 10: Workers at Royal Greenland quality checking the fish © Filip Gielda – Visit Greenland

3.4. Why is UK-Greenland Trade Vital to Regional Economies in Greenland?



The following municipalities and towns produce fish products (on land) that are exported to the UK:

- **Avannaata Municipality**
  - *Town of Ilulissat:*
    Production of cooked and peeled cold-water prawns, Greenland halibut and cod.
- **Qeqertalik Municipality**
  - *Town of Aasiaat:*
    Production of prawns, Greenland halibut and snow crab.
- **Qeqqata Municipality**
  - *Town of Sisimiut:*
    Production of cooked and peeled prawns, snow crab and cod.
  - *Town of Maniitsoq:*
    Production of cod and Greenland halibut.
- **Sermersooq Municipality**
  - *Capital. Nuuk:*
    Production of cooked and peeled prawns, cod and snow crab.
  - *Town of Paamiut:*
    Production of snow crab, cod and Greenland halibut.
  - Also, Qaqortoq, Nanortalik and Kuummiit.

The production of the relevant fish products is distributed between the towns listed above as follows:

- **Cold-water prawns, cooked and peeled**
  - To produce 1 kg of cooked and peeled cold-water prawns, one needs 3 kg raw prawns.
  - The biggest production of cooked and peeled prawns is in:
    - Sisimiut - approximately 16,700 tonnes of raw prawns landed in 2019
    - Ilulissat - approximately 14,000 tonnes of raw prawns landed in 2019
    - Nuuk - approximately 11,120 tonnes of raw prawns landed in 2019
    - Aasiaat - approximately 10,000 tonnes of raw prawns landed in 2019.
- **Cod**
  - The biggest production of cod is in:
    - Nuuk - approximately 8,520 tonnes of live weight cod landed in 2019
    - Maniitsoq - approximately 5,020 tonnes of live weight cod landed in 2019.
    - Nanortalik – approximately 2,800 tonnes of live weight cod landed in 2019.
    - Qaqortoq – approximately 1,615 tonnes of live weight cod landed in 2019.
- **Snow crab**
  - The production of snow crab is more evenly spread among Aasiaat, Sisimiut, Nuuk and Paamiut.
- **Greenland halibut**
  - The quantity of Greenland halibut exported to the UK from Greenland is still quite small.
- **Other**
  - Prawns with shell on, cod fillets, haddock fillets and Saithe fillets produced on factory trawlers are also partly exported to the UK.

Fishing and Related Industries as Driver of Economic Development

- As seen, Greenland's economy is overwhelmingly dependent on fishing and related industries, which account for more than half of all businesses in Greenland, a third of the revenues and total value added generated by companies in Greenland, between a fifth and sixth of the total employment in Greenland, 91.38% of Greenland's total exports, and the highest net investment attracted by a sector in Greenland.
- Aside from the annual block grant of around DKK 3.9 billion (around USD 600 million) provided by Denmark to Greenland, which accounts for around 20% of Greenland's GDP and more than 50% of its central public budget (or roughly 35% of its total public budget, including the municipalities), fishing and related industries is the single greatest driver of economic development in Greenland, accounting for around 25-30% of Greenland's GDP, direct, indirect and induced effects – which is more than the annual block grant itself.
- If the annual block grant from Denmark is excluded from the equation, then fisheries' share of Greenland's GDP is estimated to be as high as 70-80%.

- At the municipal level, some municipalities are much more dependent on fishing and related industries as a source of employment than others: of the total number of permanent residents mainly employed in one sector for at least one month in a year, the proportion of those employed by fishing and related industries ranges from two-fifths in Avannaata, to around two-sevenths in Qeqertalik, to a quarter in Qeqqata, to a seventh in Kujalleq, and to an eighth in Sermersooq.
- At the municipal level, the total number of permanent residents working in fishing and related industries for at least one month in a year was:
  - Avannaata Kommunia: 2,516 of 6,511 (nearly 39%)
  - Qeqertalik Kommune: 1,043 of 3,721 (around 28%)
  - Qeqqata Kommunia: 1,392 of 5,725 (nearly 25%)
  - Kommune Kujalleq: 513 of 3,712 (nearly 14%)
  - Kommuneqarfik Sermersooq: 1,754 of 14,162 (nearly 12.5%)

- Furthermore, it has already been established how central the UK-Greenland trade is to Greenland's fishing and related industries.
- Fishing and related industries account for nearly all of Greenland's exports to the UK.
- In 2020, Greenland's exports to the UK were valued at DKK 610.1 million (more than GBP 72.7 million), accounting for 11.5% of Greenland's total exports and more than 12.5% of Greenland's fish exports in particular.
- Some municipalities in Greenland are overwhelmingly dependent not just on fishing and related industries more generally, but also on the UK-Greenland trade in fish and fish products in particular.
- As seen, municipalities such as Avannaata, Qeqertalik, Qeqqata and Sermersooq are leading producers of fish and fish products that make their way ultimately to the UK, and, as such, are greatly dependent on UK-Greenland trade.
- As these are also municipalities where fishing is a major source of employment and revenue generation, their regional economies are acutely sensitive to the ebbs and flows of domestic politics and trade negotiations in the UK, which impact employment and economic development in Greenland.

- As an economy with a very small population, remote geography, vulnerability to external shocks (most of all, climate-related), great distance from markets, logistical challenges, lack of export diversification, low level of integration with the international trading system, overt dependence on one or two economic sectors, and the dominance of a historical economic and political relationship with one or two distant states, Greenland is, in many ways, a developing country.
- In this sense, it shares more in common with other developing countries, including many countries that the UN classifies as Least Developed Countries (LDCs) and that the World Bank classifies as low-income and lower-middle income countries (LICs and LMICs), and especially the Small Island Developing States (SIDS). Given its constitutional links with Denmark, it also shares much in common with the British Overseas Territories (OTs) and the Overseas Countries and Territories (OCTs) linked to the EU member states, France and the Netherlands.



Image 11: Town of Ilulissat. © Dwayne Menezes – Polar Research and Policy Initiative



Image 12: Town of Aasiaat. © Filip Gielda - Visit Greenland



Image 13: Town of Sisimiut. © Dwayne Menezes - Polar Research and Policy Initiative



Image 14: Town of Maniitsoq. © Filip Gielda - Visit Greenland



Image 15: The capital, Nuuk. © Elia Locardi - Visit Greenland



Image 16: The town of Paamiut. © Aningaak R Carlsen - Visit Greenland

3.5. Why is UK-Greenland Trade Vital to Regional Economies in the UK?

- **Producers, Exporters, Importers:** The UK is one of the largest and most established markets for Greenlandic seafood producers and exporters.
- In reflection of the UK's importance as a market, the two largest fish companies in Greenland – Royal Greenland and Polar Seafood – both maintain offices in the UK (the first in Manchester, and the second in Derbyshire) that generate local employment and sales revenue, while a third fish company in Greenland – Arctic Prime Fisheries – has boosted exports to the UK since 2021.
- While these large companies sell directly in the UK market, they also rely on a wide variety of UK importers, processors, food manufacturers, wholesalers, distributors, specialist suppliers, sales agents, retail outlets, fish markets and out-of-home food businesses.
- Seafood from Greenland makes its way to numerous users in the UK, from the UK seafood processing industry to the UK's many retail outlets, pubs, fish and chips shops, quick-service restaurants, full-service restaurants and chain operators.
- The main Greenlandic producers, thus, sit at the heart of much larger value chains that have emerged in the UK over the decades around high-quality seafood products of Greenlandic origin, especially cold-water prawns, cod and haddock.
- Greenland's exports to the UK, after all, do not comprise simply finished products, but mostly semi-finished products for which value addition is undertaken in the UK.
- Consequently, Greenland's exports to the UK are a significant source of value creation, as well as employment, investment and local/regional economic growth, in the UK.



Image 17: Chefs from Brunning & Price pubs using Royal Greenland's cold-water prawns. © Royal Greenland

- As reflected in Table 6, Greenland's exports to the UK include not just finished goods, but also a substantial quantity of semi-finished products that are further processed in the UK and that have led to the development of a sophisticated value chain for Greenlandic products within the UK.

Table 6: Export of finished and semi-finished fish products from Greenland to the UK

Product	Products, repacked or further processed in the UK		Finished products exported to the UK		Total sales to the UK	
	Value, million DKK	Quantity, tonnes	Value, million DKK	Quantity, tonnes	Value, million DKK	Quantity, tonnes
2021						
Prawn, Cooked & Peeled	348.2	5,779.0	114.8	1,817.0	462.9	7,596.0
Prawn, shell on	0.0	0.0	9.0	344.0	9.0	344.0
Prawn, brined	0.0	0.0	0.0	0.0	0.0	0.0
Cod fillet	0.0	0.0	197.3	4,343.0	197.3	4,343.0
Haddock fillet	0.0	0.0	0.0	0.0	0.0	0.0
Greenland halibut	0.0	0.0	0.0	0.0	0.0	0.0
Snow Crab	0.0	0.0	0.0	0.0	0.0	0.0
Total	**348.2**	**5,779.0**	**321.1**	**6,504.0**	**669.2**	**12,283.0**
2020						
Prawn, Cooked & Peeled	137.4	2,295.0	308.5	5,154.0	445.8	7,582.0
Prawn, shell on	0.0	0.0	5.4	194.6	5.4	194.6
Prawn, brined	0.0	0.0	3.7	28.4	3.7	28.4
Cod fillet	0.0	0.0	146.4	2,843.0	146.4	3,267.0
Haddock fillet	0.0	0.0	5.8	158.0	5.8	158.0
Greenland halibut	0.0	0.0	0.1	1.3	0.1	1.3
Snow Crab	0.0	0.0	3.0	17.7	3.0	19.7
Total	**137.4**	**2,295.0**	**472.8**	**8,397.0**	**610.1**	**11,251.0**

- The UK-Greenland trade, thus, generates substantial revenue, investment, value and jobs within the UK.
- Furthermore, as these opportunities are most often created outside London, their importance may not always be realised in London, but they matter enormously to the UK's regional economies, especially in those regions that have built relevant specialisms.

Case Study I: Royal Greenland

Established in 1774, Royal Greenland is a global and vertically integrated manufacturer and supplier of fish and seafood. It is 100% owned by the Government of Greenland and is the world's largest processor and supplier of cold-water prawns and Greenland halibut. Headquartered in Nuuk, it owns numerous facilities across Greenland, operates factories in Canada and Germany, and collaborates with processors and suppliers in Denmark, Poland and China. In 2019, it reported a net revenue of DKK 5.327 billion and employed 2,200 employees in Greenland, Denmark, Germany, the UK and other countries. It is the largest employer in Greenland.

Royal Greenland maintains a UK head office in Manchester, where it generates local employment. Incorporated in the UK in 1986, Royal Greenland UK has traded in the UK for more than 30 years, with its sales almost doubling in the last five years: its business grew from GBP 27 million to GBP 45 million over the period. In 2019, Royal Greenland UK's turnover grew from approximately GBP 42.3 million to nearly GBP 45 million. Current UK-Greenland trade accounted for around 70% of the turnover. As a UK company, Royal Greenland UK creates jobs and pays taxes in the UK. It also pays an annual levy to Seafish – amounting to GBP 103,545 in 2019 and GBP 76,301 in the first 9 months of 2020 – that goes towards funding Seafish, the non-departmental public body set up to support the seafood industry in the UK.

Royal Greenland UK supplies North Atlantic species such as cold-water prawns, Atlantic cod, Greenland halibut, snow crab and Canadian lobster to a wide range of customers in the processing, retail, wholesale and foodservice industries. While it is engaged with the direct sales in the UK market, other routes to market for its products include going through processors and wholesalers (such as Northcoast Seafoods and Sykes Seafood), manufacturers (such as Greencore Group) and specialist suppliers (such as Friars Pride and T. Quality) before ending up in supermarkets (such as Marks and Spencer), chain operators (such as The Restaurant Group), pubs (such as Brunning & Price pubs), fish and chips shops, and restaurants (such as Hakkasan). Royal Greenland has supplied almost every UK retailer, including Tesco indirectly via a third party and directly.

Should the UK and Greenland be unable to reach a trade deal, Royal Greenland notes that the biggest impact will be the potential job losses in North West England, mainly at its UK head office, with ramifications also for other processing and fishery sites. Furthermore, while Royal Greenland had already put its UK CAPEX plans on hold due to a lack of confidence and clarity in the negotiations, it fears that a no-deal scenario would result in a potential turnover loss of 70%. Additional lengthy and costly controls (customs documentation, health checks) at the borders will also disrupt the flow of incoming materials to the UK.

There could also be a potential shortage and/or price inflation of cooked & peeled prawns and Atlantic Cod, which in turn will have a knock-on effect on the whole fish and seafood ecosystem, in which fishmongers, sandwich manufacturers, retailers, processors and restaurants widely use/sell/cook/process these two species. If demand outstrips supply, competitors might see an opportunity to increase the price, while buyers may not be able to access the same pool of suppliers. Consequently, retailers and consumers will be faced with potentially less choice, price inflation and lower standards in food offering.

Sources: Interviews with executives at Royal Greenland UK and www.royalgreenland.co.uk

- **Processors, Suppliers, Wholesalers, Distributors, Fish Markets:** There are a number of UK seafood businesses intrinsically linked to the value chain of Greenlandic seafood products: these include processors-suppliers, such as Cheshire-headquartered Sykes Seafood and Grimsby-headquartered Northcoast Seafoods and Jaines Seafood; wholesale foodservice suppliers such as Ashford (Kent)-based Brakes, specialist suppliers such as Peterborough-based Friars Pride and Swindon-based T.Quality that cater to fish and chips shops; and importers and traders, such as Seahawk Marine Foods that has been operating since 1982 and has its head office in Wiltshire and operations in Billingsgate Market in London.

Case Study II: Sykes Seafood

Sykes Seafood, founded in Manchester in 1862, is a major importer of cold-water prawns for the UK market, supplying to foodservice channels, retailers, wholesalers, manufacturers and end users. Its key retail customers include the large UK supermarkets with which it has longstanding relationships. Sykes Seafood has its head office in Knutsford, Cheshire; a warehouse and wholesale outlet at New Smithfield Market in Manchester; and state-of-the-art production facilities on the outskirts of Liverpool, where it adds value through activities including skin packaging, box packaging, bag packaging and MAP packaging.

Between 2014 and 2019, Sykes Seafood's turnover grew significantly from GBP 65 million to GBP 115 million. In reflection of the customer base it has built that is loyal to Greenlandic seafood products, its primary import from Greenland – cold-water prawns – represents GBP 18-20 million in spend and accounts for around 20% of the turnover. The Greenlandic provenance and associated quality of those products has been used as a vital and effective marketing and trading tool. Its imports from Greenland, consequently, have witnessed 100% growth over the past 5 years.

Sykes Seafood employs around 100-150 staff locally and has invested heavily over the years in developing significant infrastructure and capability for the further processing of cold-water prawns in the UK, including a recent factory upgrade of GBP 8 million. Sykes Seafood has an annual in-house production capability of some 20,000 MT. At Sykes, 20 employees work directly with goods imported from Greenland on a day-to-day basis. As the production plant exists to process other imports as well, which could be outsourced easily, the jobs created safeguard the existence of the UK production facility – a total of 80 permanent employees plus agency staff.

Should the UK and Greenland fail to achieve a favourable trade deal, Sykes Seafood would have to re-assess the viability of UK production, compared to overseas production, which could threaten up to 100 local jobs. The reduction in staff and taxable profits will also result in a reduction in tax generated, while increased food prices for the consumer will have a detrimental effect on economic recovery, as the Covid-19 pandemic and its associated lockdowns take their toll as well. There will also be indirect consequences on port traffic and jobs associated with the import of goods, such as those relating to port health, freight forwarders, haulage business, and the like.

As it may become more meaningful to land goods in alternative locations (such as neighbouring EU countries) and import finished manufactured products into the UK, the ultimate supply of cold-water prawns to the UK may not be disrupted, but it would mean that value addition now would be performed outside the UK. As Dan Wright, Managing Director of Sykes, noted, "We see the threat to be to UK manufacturing, and the livelihoods of the people who live and work in the Northern Powerhouse which the country relies upon. They will feel the impact most acutely through both job losses and increased cost of living."

Sources: Interviews with executives at Sykes Seafood and www.sykesseafood.com

- **Retail:** Retail is another important area, especially for at-home consumption. In the year to 12 June 2020, seafood sales in the UK's retail sector surpassed GBP 4 billion, with chilled seafood accounting for GBP 2.39 billion (59.6%); frozen sales, more than GBP 1 billion (25.3%); and ambient sales, GBP 604.3 million (15.1%).[16] The big retailers – Tesco (28%), Sainsbury's (14.3%), Aldi (12.7%), Lidl, Marks & Spencer, Waitrose, Morrisons, Coop, Asda and Iceland – accounted for the majority of the retail seafood sales. High-quality seafood products originating in Greenland end up in most major retail outlets, including Tesco, Waitrose, M&S and Aldi; markets such as Billingsgate Fish Market in London and New Smithfield Market in Manchester; and online retailers, such as Ocado.



Image 18: Royal Greenland Cold Water Prawns. © Royal Greenland

- **Pubs:** There were more than 60,000 pubs in the UK in 2019, generating £10.7 billion in spend, with seafood accounting for 14% of all servings. Salmon was the most popular product, followed by cod, shellfish, seafood sandwich and haddock, with servings of shellfish growing by 2.8%. Greenlandic seafood companies, such as Royal Greenland and Polar Seafood, supply seafood products originating in Greenland to the UK pub industry, whether directly to pubs or indirectly, through wholesalers such as Direct Seafoods, to chain operators such as The Restaurant Group plc.

- **Fish and Chips Shops:** There were around 10,500 fish and chip shops in the UK in 2019, which sold 127 million servings of fish and chips.[17] When UK consumers visited fish and chips shops, they were likeliest to choose cod (83%) and haddock (60%), except in Scotland, where there was a clear preference for haddock (80%) over cod (47%).[18] In 2019, the fish and chips industry generated more than £1.1 billion in spend. Through various British specialist suppliers/wholesalers catering to fish and chips shops, such as Friars Pride (headquartered in Peterborough, Cambridgeshire) and T. Quality (headquartered in Swindon, Wiltshire), Greenlandic seafood companies such as Royal Greenland sell high-quality products, such as Atlantic cod, to fish and chips shops around the UK.

- **Full Service Restaurants:** With more than 45,000 restaurants in 2019, the full-service restaurant industry generated more than £12.7 billion in spend, with seafood commanding a 19.1% share of the servings. Shellfish, such as prawns, constituted 29% of the seafood servings share. High-quality seafood products originating in Greenland make it from Greenlandic seafood companies, such as Royal Greenland, to British restaurant chains, such as Hakkasan, through distributors, wholesalers and fish markets, such as Reach Food Service (based in Hayes), Sykes Seafood (based in Liverpool, Cheshire and New Smithfield Market in Manchester), Seahawks Marine Foods (based in Wiltshire, Billingsgate Market in London, and Hull) and Bidfood (based in Slough, Berkshire), some of which may also be involved with further value addition within the UK.

- **Miscellaneous:** One wholesale foodservice supplier, Brakes (based in Kent) supplies Greenlandic-origin seafood products not only to the catering industry, but also to care homes in the UK.

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16 J. Holland, "UK retail seafood sales top GBP 4 billion, spurred by COVID-19 consumption shifts", *SeafoodSource*, 16 July 2020. https://www.seafoodsource.com/news/foodservice-retail/uk-retail-seafood-sales-top-gbp-4-billion-spurred-by-covid-19-consumption-shifts

17 Seafish, *Market Insight Factsheet: Fish and chips in Foodservice 2019* (January 2020).

18 Seafish, *State of the Nation Study 2018 UK Report* (2018).

- **Consumers:** Greenland has long served as the UK's most reliable basket for cold-water prawns, supplying the majority of the UK's cold-water prawns, and is also one of the UK's leading sources of cod, haddock, halibut and snow crab. Many fish products and dishes popular in the UK, from prawn sandwiches, prawn salads, prawn cocktails and prawn tartare, to fish fingers and the iconic fish and chips, use fish sourced in Greenland. Fish products of Greenlandic origin align well with British tastes, preferences and consumption patterns, as outlined below.
- An April 2018 study, commissioned by Seafish, revealed that while 33% of the UK population eats fish twice a week or more often, only 9% of the population does not eat fish. Of the UK adults who do eat fish, 95% eat fish at home and 57% eat fish out of home.[19]
- Whether eaten at home or out of home, the types of fish products most popular with UK consumers (in 2018) were tinned (61%); battered (59%); breaded (50%); natural, plain (50%); smoked, plain (45%); shellfish (43%); fish fingers (41%); fishcakes (37%); seasoned fish (25%); sushi (16%); fish in a sauce (15%); fish with a sauce (14%); and fish sticks (12%).[20]
- When it comes to at-home consumption, UK consumers eat frozen fish (72%), fresh fish (70%), tinned fish (67%) and takeaways (42%). Most frozen fish (93%) was bought in-store at a supermarket, while 11% was bought online. Most fresh, chilled fish was bought at a chiller counter (78%), then supermarket fish counter (57%), independent fishmongers (24%) and online (10%); also relevant were fish or street market (12%), fish vans (6%) and the harbour (5%).[21]
- In 2019, in the six channels comprising the total out-of-home sector, seafood accounted for 8.6% of servings share in quick service restaurants (excluding fish and chips shops); 14% servings share in pubs; 63.2% servings share at fish and chips shops; 19.1% servings share in full-service restaurants; 18% servings share in travel and leisure; and 16.1% of servings share in workplace and education.[22]



Image 19: Battered, breaded, smoked and shellfish are among the most popular fish products. © Royal Greenland

- Among the most popular species among UK consumers are prawns, cod and haddock.
- Prawns are popular in retail and commercial foodservice. The majority of the cold-water prawns in the UK are from Greenland and East Canada.[23]
- In retail, in the year ending 31 January 2019, UK shoppers purchased more than 39,171 tonnes of prawns (67% chilled; 33% frozen), equating to a retail value of GBP 526.2 million: cold-water prawns accounted for 37.5% of the total retail value sales.[24]
- In the commercial foodservice, prawn products accounted for around 118 million (10%) seafood servings sold in 2018 and had the highest menu penetration rate.[25] The sales of prawns through different channels were as follows: quick service restaurants (excluding fish and chips shops), 48%; full-service restaurants, 21%; pubs, 12%; travel and leisure, 11%; workplace and education, 7.6%; and fish and chips shops, 0.3%.[26]

19 Seafish, *State of the Nation Study 2018 UK Report* (2018).
20 Seafish, *State of the Nation Study 2018 UK Report* (2018).
21 Seafish, *State of the Nation Study 2018 UK Report* (2018).
22 Seafish, *Market Insight Factsheet: Seafood in Foodservice 2019* (January 2020).
23 Seafish, *Market Insight Factsheet: Prawn and Shrimp 2019* (March 2019).
24 Seafish, *Market Insight Factsheet: Prawn and Shrimp 2019* (March 2019).
25 Seafish, *Market Insight Factsheet: Prawn and Shrimp 2019* (March 2019).
26 Seafish, *Market Insight Factsheet: Prawn and Shrimp 2019* (March2019).

- In 2014, *The Morning Advertiser* reported that prawn dishes accounted for 40% of all seafood dishes consumed at home, with the popular prawn cocktail alone constituting 10% of all seafood dishes.[27] Prawn sandwiches and prawn salads are also popular in the UK and generally use cold-water prawns.



Image 20: Prawn cocktail (top-left), prawn sandwiches (top-right), prawn salad (bottom-left) and prawn tartare (bottom-right) are popular prawn preparations in the UK and generally use cold-water prawns. © Royal Greenland

- Cod and haddock are popular in retail and commercial foodservice, especially fish and chips shops. A significant portion of the cod and some of the haddock used in fish and chips shops are of Greenlandic origin.
- In retail, in the year ending 20 April 2019, UK shoppers purchased more than 59,303 tonnes of cod equating to a retail value of £481.3 million, with frozen cod accounting for 52.7% of cod sales. In the commercial foodservice, cod accounted for 22% or 258 million of all seafood servings in 2018.[28]
- Likewise, in the year ending 20 April 2019, UK consumers, in retail, purchased just over 24,610 tonnes of haddock (chilled 71%; frozen 29%) equating to a retail value of £241.6 million. Also, in 2018, haddock accounted for 8% or 93 million servings in the commercial foodservice.[29]



Image 21: Fish and chips, using Royal Greenland Nutaaq® Cod. © Royal Greenland

[27] S. McWattie, "Seafood Menu Ideas", *The Morning Advertiser*, 26 June 2014. https://www.morningadvertiser.co.uk/Article/2014/06/27/Seafood-menu-ideas-for-pubs

[28] Seafish, *Market Insight Factsheet: Cod 2019* (August 2019).

[29] Seafish, *Market Insight Factsheet: Haddock 2019* (August 2019).

- A Seafish-YouGov study found that 70% of the UK's fish-buying public regards the sustainability of the fish a very important or fairly important issue when choosing which fish to buy.[30]
- It also found that more than a third of UK consumers (36%) are actively buying sustainably sourced fish, while less than a fifth (19%) did not think about sustainability at all when purchasing fish.[31]
- As Greenland has four MSC-certified fisheries, products from Greenland are also perceived favourably in the UK as sustainably sourced fish.
- Prawns, cod and haddock from Greenland, furthermore, are of the highest quality available and are sold to pubs, fish and chips shops, quick service restaurants and retail outlets at reasonable prices.
- For instance, in 2014, the manager of The Fleece Inn pub in Barkisland, Yorkshire, told *The Morning Advertiser* that although the pub switched to cold-water prawns on account of their taste, texture and sustainability credentials, they found the resultant cost savings to be an additional bonus.[32] After the pub switched to cold-water prawns and made Royal Greenland its sole prawn supplier two years earlier, it reportedly saved 17% in costs, when compared to using warm-water prawns.
- Likewise, when fish and chips shops sell their cod or haddock products for prices as low as GBP 4, or when quick service restaurants or retail outlets sell prawn sandwiches for relatively low prices, it is hard to believe that the ingredients sourced are of such high quality.
- It is precisely so fish products of the highest quality can be sold in the UK at the most affordable prices that fish from Greenland must maintain tariff-free, quota-free access to the UK and not be subjected to new tariffs that increase the costs for UK importers, processors, wholesalers, distributors, retailers, foodservice channels and consumers.



Image 22: Polar Seafood workers ensuring Greenland cold-water prawns are of the highest quality.
© Polar Seafood

30 Seafish, *State of the Nation Study 2018 UK Report* (2018).
31 Seafish, *State of the Nation Study 2018 UK Report* (2018).
32 S. McWattie, "Seafood Menu Ideas", *The Morning Advertiser*, 26 June 2014. https://www.morningadvertiser.co.uk/Article/2014/06/27/Seafood-menu-ideas-for-pubs

- Consequently, while any disruption in Greenland-UK trade will adversely affect Greenland's fish producers, it will have a greater negative impact on UK consumers, businesses and regional economies:
    - Significantly increasing the prices of fish and fish products in the UK;
    - Lowering choice and competition in the UK market;
    - Threatening one of the UK's traditional food sources;
    - Undermining UK food supply and food security;
    - Damaging value chains developed within the UK around products originating in Greenland;
    - Weakening local/regional economies in the UK that rely on value addition to seafood products;
    - Risking jobs and investments in the UK;
    - Undermining seriously the UK Government's Levelling Up agenda.



Image 23: A Polar Seafood trawler harvesting Greenland cold-water prawns. © Polar Seafood



Image 24: Fishermen with catch at fish market in Qaqortoq. © Camilla Hylleberg – Visit Greenland

3.6. How Sustainable are the Fisheries relevant to Greenland's Exports to the UK?

- While fish stocks can be sustainable without being certified, the MSC certification - granted by the London-headquartered non-profit organisation Marine Stewardship Council (MSC) - has become the best-known sustainability certification globally and is trusted as an independent sustainability standard that certifies a fishery is committed to stock management and environmental efforts more generally.
- In Greenland, Sustainability Fisheries Greenland is the central body dealing with MSC applications and pre-assessments in close cooperation with fishers, researchers and industry. Greenland's principal seafood producers cooperate closely with Sustainability Fisheries Greenland to ensure long-term sustainability of the fisheries in the North Atlantic and the Arctic Ocean.
- When Greenland's cold-water prawn fishery first entered MSC assessment in the late-2000s, Sustainable Fisheries Greenland partnered with the Institute of Zoology at the Zoological Society of London (ZSL) to undertake research into the benthic habitats on West Greenland's continental shelf and map the seabed where the fishery was operating. Such seabed camera surveys have been carried out in partnership with ZSL every year since 2011, constituting another vital chapter in the rich volume of UK-Greenland cooperation. Building on the research findings, Sustainable Fisheries Greenland introduced new measures to prevent unintentional bycatch, such as adapting the fishing gear to raise it further off from the seabed and thus minimise potential damage to sea pens.[33]
- In 2013, Greenland's cold-water prawn fishery became the first Greenland fishery to be awarded MSC certification, a globally recognised label that certifies a fishery is sustainable and well-managed, and that has become pivotal to achieving accessibility and competitiveness in various markets.
- A Seafish-YouGov study found that 70% of the UK's fish-buying public regards the sustainability of the fish they are buying a very important or fairly important issue when choosing which fish to buy.[34]
- In 2015, Greenland's Barents Sea cod, haddock and saithe fishery became the second Greenland fishery and Greenland's first finfish fishery to achieve MSC sustainability certification, solidifying its access to and competitiveness in the UK that imported roughly 80% of Greenland's 12,000 MT catch of Barents Sea fish – almost entirely filleted – that year.[35]
- In 2015, the Greenland lumpfish fishery – the largest lumpfish fishery in the world – also received MSC certification, making it the third Greenland fishery to be certified in two years.[36] By October 2015, Royal Greenland had secured listings for its MSC-certified lumpfish and salmon roe with UK distributors Seahawk and Ritter Courivaud. While Seahawk provided Royal Greenland's black and red lumpfish roe to cruise liner customers, Ritter Courivaud supplied Royal Greenland's salmon roe and lumpfish roe to its fine dining restaurant customers.[37]
- In 2017, a West Greenland offshore Greenland halibut fishery, which represented half of the Total Allowable Catch (TAC) of the stock and which has been operational in Baffin Bay and the Davis Strait since the mid-1960s, became the world's first Greenland halibut fishery to receive MSC certification.[38]
- At present, Greenland has four MSC-certified fisheries: prawn in West Greenland; cod, haddock and saithe in the Barents Sea; lumpfish in West Greenland; Greenland halibut, trawling, offshore, in West Greenland.
- The Government of Greenland is working on management plans species by species and with Sustainable Fisheries Greenland, with the aim of achieving MSC certification for additional fisheries.

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33 MSC, "Mysteries of the Deep" (September 2017): http://greenland-seafloor-stories.msc.org

34 Seafish, *State of the Nation Study 2018 UK Report* (2018).

35 J. Holland, "Greenland secures first MSC certification for whitefish, UK is main beneficiary", *SeafoodSource*, 12 May 2015. https://www.seafoodsource.com/news/environment-sustainability/greenland-secures-first-msc-certification-for-whitefish-uk-is-main-beneficiary

36 "Greenland lumpfish fishery gains MSC certification", *IntraFish*, 25 August 2015. https://www.intrafish.com/news/greenland-lumpfish-fishery-gains-msc-certification/1-1-649040

37 "Royal Greenland's MSC lumpfish, salmon roe wins listings with UK distributors", *Undercurrent News*, 29 October 2015. https://www.undercurrentnews.com/2015/10/29/royal-greenlands-msc-lumpfish-salmon-roe-win-listings-with-uk-distributors/

38 R. Fletcher, "Sustainability boost for Greenland halibut", The Fish Site, 25 May 2017. https://thefishsite.com/articles/sustainability-breakthrough-for-greenland-halibut

3.7. Where is it all going wrong?

- It is important to bear in mind that, economically, Greenland – as an economy with a small and sparse population, remote geography, overt dependence on one or two economic sectors, lack of export diversification, vulnerability to external shocks (most of all, climate-related), low level of integration with the international trading system, great distance from markets, logistical challenges, and the dominance of a historical economic and political relationship with one or two distant states – is, in many ways, a developing country that shares more in common with other developing countries, including many countries that the UN classifies as Least Developed Countries and that the World Bank classifies as low-income and lower-middle income countries, and especially the Small Island Developing States of the Commonwealth with whose experiences the UK is already familiar.
- It is also important to recognise that Greenland – as an overseas country or territory linked to Denmark, and as a non-EU overseas country or territory linked to an EU member state – shares much more in common with the other Overseas Countries and Territories (OCTs) linked to the EU (through EU member states, France and The Netherlands), as well as the British Overseas Territories, providing the UK with yet another frame of reference it understands well.

- It is precisely with the purpose of improving economic development in overseas countries and territories linked to EU member states, in cooperation with the EU, that the Overseas Countries and Territories Association (OCTA) was formed.
- While the UK was an EU member state, there were 25 OCTs (including the British Overseas Territories), 22 of which were members of the OCTA. Prior to Brexit, Greenland worked closely with several of the British Overseas Territories through the OCTA.
- Under the EU-OCT arrangement which governed even UK-Greenland trade at the time, the OCTs received unilateral trade preferences from the EU and, by extension, every EU member state, enabling them to export their products tariff-free and quota-free into any EU member state, including the UK while it remained a member state of the EU.
- If the UK's intention was simply to roll over existing trade agreements and replicate them as much as possible in new trade agreements, then it should have recognised early on that a central pillar of its trade with Greenland lay in those unilateral trade preferences, which, recognising the vulnerability of Greenland's economy to every delay in trade negotiations, it should have extended at the soonest, with the aim of improving economic development in Greenland – or at least not hindering it by affecting the stability of Greenland's economy as a result of changes in domestic politics in the UK.
- Following the UK's withdrawal from the EU, the number of OCTs dropped from 25 to 13. While the UK has introduced a framework to ensure British Overseas Territories (OTs) retain tariff-free access to the UK, the OCTs associated with EU member states Denmark, France and the Netherlands are not included in its scope. In the absence of a framework that replicates the EU-OCT arrangement, the fate of UK-Greenland trade hangs in the balance.

- It is also important to bear in mind that Greenland had secured free access to the EU Internal Market – now Single Market – through the Greenland Treaty of 1985 (which formalised Greenland's withdrawal from the European Economic Community) before the rest of the OCTs had secured the same through the EU-OCT arrangement.
- The Greenland Treaty places the condition on Greenland that the EU must have satisfactory access to Greenland fishing zones for free market access, while the EU is to compensate Greenland financially for the fishing quotas.
- Thus, while Greenland is covered by the EU-OCT arrangement, it has additional provisions and conditions through the Greenland Treaty.
- As the UK and Greenland negotiate a bilateral preferential trade agreement, the UK must realise that it is negotiating with what is, in many ways, a developing country, geographically remote and with a small and sparse population, that is overly dependent on fishing and that is highly vulnerable to economic and environmental shocks, and it is not a negotiation between two equals economically.
- Making tariff-free access to the UK market conditional on access for UK fisheries to Greenlandic waters will dramatically affect the economic development of Greenland and increase its reliance on

subsidies from Denmark. It will also contradict the stated intention of the UK Government to grow free and fair trade with developing countries, and to boost economic growth and jobs therein.

- As the UK seeks to develop a more socially just trade strategy, and to build a stronger relationship – based on trust and goodwill – with an Arctic country that grows more strategically important to the UK with every passing day, it should recognise that what would be much fairer and more prudent is to decouple its trade negotiations from its fisheries negotiations when it comes to Greenland, so, given the asymmetrical power relations, Greenland is not bullied into paying a significantly higher price for preferential access to the UK market than what even more developed countries pay, and than what the UK would be paying, in effect, for access to Greenland's single most important asset – its fishing zones.

- While it is to be welcomed that the UK is extending trade preferences to eligible developing countries through the UK Generalised Scheme of Preferences (GSP), the UK GSP has only three frameworks:
  - Least Developed Countries Framework, for countries that the UN classifies as Least Developed Countries (LDCs) – for example, Afghanistan, Bangladesh, Haiti, Kiribati, Sierra Leone, South Sudan, Somalia, Tuvalu and Vanuatu – imports from which have quota-free access and nil rates of import duty on all goods excluding arms and ammunition.
  - General Framework, for countries that the World Bank classifies as low-income countries (LICs) and lower-middle income countries (LMICs) – for example, Algeria, Congo, India, Indonesia, Micronesia, Nigeria and Vietnam – imports from which have reduced rates of import duty on certain goods.
  - Enhanced Framework, for countries that the World Bank classifies as low-income countries (LICs) and lower-middle income countries (LMICs), and that are economically vulnerable due to a lack of export diversification and a low level of integration with the international trading system – for example, Bolivia, Cape Verde, Kyrgyzstan, Mongolia, Pakistan, Philippines, Sri Lanka and Uzbekistan – imports from which have a nil rate of import duty on certain goods.
- Although Greenland shares much in common with the Least Developed Countries (LDC), Low Income and Middle Income Countries (LICs and LMICs) and Small Island Developing States (SIDS), the UK has not yet recognised it as part of any of these groupings, and has not included Greenland in any of its three GSP frameworks.

- As it stands, every delay in the trade negotiations, and every demand made by the UK to Greenland that does not reflect the principles and the spirit of the agreements that governed UK-Greenland trade prior to the UK's withdrawal from the EU's Single Market and Customs Union, amount not just to a new blow to the vulnerable economy of what is, in essence, a developing island country, but also to a complete contradiction in the UK's stated policy to reduce or remove rates of duty (tariffs) on imports from eligible developing countries into the UK.
- It is important for the UK to recognise that these delays and demands are having real-world repercussions for a developing country in real time, from jobs, to investment, to revenue generation, to economic growth, and that Greenland should not have to pay the price for the majority of the UK electorate voting in favour of the UK leaving the EU.

- As much of Greenland's fish heads first to Denmark for clearing (the fish is not repacked or processed there, but certificates are added) before it is re-exported to the UK, the volumes and values of some of Greenland's fish exports to the UK may be underreported (accounted for under Denmark's fish exports to the UK instead), and there may be other species listed under Denmark's exports to the UK not listed in statistics of UK-Greenland trade, but that actually originate in Greenland. Here are a few examples, all from 2019:
- **Crab:** In 2019, Denmark was the UK's largest import source of crab by volume, with the UK importing 1,633 tonnes of crab from Denmark (accounting for 28.1% of the UK's total imports of crab). That same year, Greenland exported 1,787.3 tonnes of crab to Denmark.[39]

[39] https://public.tableau.com/profile/seafish#!/vizhome/SeafishTradeandTariffTool/

- **Redfish:** In 2019, Denmark was the UK's 2nd largest import source of redfish by volume, with the UK importing 367 tonnes from Denmark (accounting for 7.7% of the UK's imports of redfish). That same year, Greenland exported 305.8 tonnes of redfish to Denmark.[40]
- **Mackerel:** In 2019, Denmark was the UK's 2nd largest import source of mackerel by volume, with the UK importing 9,378 tonnes from Denmark (accounting for 27.3% of the UK's imports of mackerel). That same year, Greenland exported 7,561 tonnes of mackerel to Denmark.[41]
- **Greenland Halibut:** In 2019, Denmark was the UK's 3rd largest import source of Greenland halibut by volume (91.9 tonnes). That same year, Greenland exported 33,879 tonnes of Greenland halibut to Denmark.[42]
- **Saithe:** In 2019, Denmark was the UK's 7th largest import source of saithe by volume, with the UK importing 48 tonnes from Denmark. That same year, Greenland exported 107 tonnes of saithe to Denmark.[43]

- While it is not for the UK to decide whether, or how, Denmark and Greenland should distinguish their exports to the UK from each other, there are certain approaches that the UK could take that would help it to monitor, report, analyse, protect and promote UK-Greenland trade better:
    - Recognise the full importance of Greenland as an import source for the UK, with respect to both the UK's fish imports clearly originating in Greenland, and the UK's fish imports from Denmark – as also other countries, such as Poland, Germany and Ukraine – that originate in Greenland.
    - Recognise the full importance of Greenland as a trade partner for the UK, with respect to the UK's imports of finished products from Greenland, as well as the UK's imports of semi-finished products from Greenland that undergo value addition in the UK.
    - When compiling a list of HS Codes to decide on the preferential tariffs to be applied to products originating in Greenland and imported into the UK, include and consider HS Codes for fish products exported from Greenland to the UK, and for fish products exported from Greenland to Denmark that also feature in lists of fish products exported from Denmark to the UK.

[40] https://public.tableau.com/profile/seafish#!/vizhome/SeafishTradeandTariffTool/
[41] https://public.tableau.com/profile/seafish#!/vizhome/SeafishTradeandTariffTool/
[42] https://public.tableau.com/profile/seafish#!/vizhome/SeafishTradeandTariffTool/
[43] https://public.tableau.com/profile/seafish#!/vizhome/SeafishTradeandTariffTool/

4. Greenland's Trade with the UK: The EU and UK Regimes

4.1. The EU Regime

- Over the past 50 years, Greenland's formal relationship with the UK has been determined, to a large extent, by its status within the Kingdom of Denmark (alongside Denmark and the Faroe Islands) and by its relationship with the EU.
- As a part of the Kingdom of Denmark without any autonomy from Denmark back in the early-1970s, Greenland joined the then European Economic Community (EEC) by default when Denmark joined the EEC in 1973 – despite the majority of Greenlanders voting against it in 1972.
- Although the Faroe Islands was also a part of the Kingdom of Denmark, it had already obtained Home Rule in 1948, so it was able to opt not to join the EU when Denmark joined in 1973.
- After Greenland held a consultative referendum on home rule in January 1979 in which over 70% of voters voted in favour of greater autonomy from Denmark, the Greenland Home Rule Act entered into force in May 1979, creating the Parliament of Greenland and making Greenland an autonomous constituent realm within the Kingdom of Denmark.



Image 25: Nuuk, the capital of Greenland, hosts the Parliament of Greenland. © Rebecca Gustafsson - Visit Greenland

- In 1982, Greenland, having obtained Home Rule three years earlier, held another referendum on its membership of the EEC, with 53% of the voters voting against continued membership.
- Three years later, in 1985, the Greenland Treaty formalised Greenland's withdrawal from the EEC, making it the first country to leave the EEC/EU by referendum.
- Although no longer a member of the EEC, Greenland remained a constituent realm of the Kingdom of Denmark, with Denmark still a member of the EEC, enabling Greenland to become an Overseas Country and Territory (OCT) to the EEC in 1985.
- Along with other OCTs, Greenland secured free access to the EU's Single Market via various association agreements, including the EU-OCT arrangement, and the Greenland Treaty of 1985.
- It is important to point out that Greenland had already secured access to the EU Internal Market (now Single Market) – before the rest of the OCTs had secured the same through the EU-OCT

arrangement – through the Greenland Treaty, which places the condition on Greenland that the EU must have satisfactory access to Greenland fishing zones for free market access, while the EU is to compensate Greenland financially for fishing quotas.

- Thus, while Greenland is also covered by the EU-OCT arrangement, it has additional provisions and conditions through the Greenland Treaty.
- The Overseas Countries and Territories (OCTs), while not a part of the European Community (EC) and not subject directly to EU law, are constitutionally linked to three EU member states – France, Denmark and The Netherlands (as well as the UK, while it was an EU member state) – and enjoy associate status to the EU, granted by the Lisbon Treaty.
- While the UK was still an EU member state, there had been 25 OCTs associated with the EU, including several British Overseas Territories – Anguilla; Bermuda; British Virgin Islands; Cayman Islands; Falkland Islands; Montserrat; Pitcairn Islands; Saint Helena, Ascension and Tristan da Cunha; and Turks and Caicos Islands – which cooperated closely with Greenland through the Overseas Countries and Territories Association (OCTA) over the decades.
- When it comes to trade, the EU grants unilateral trade preferences to all products originating in OCTs, which translates as tariff-free, quota-free access to the EU's Single Market. These trade preferences were affirmed by the January 2014 Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union (Overseas Association Decision).
- Aimed at contributing to the social and economic development of the OCTs, the EU's preferential rules of origin for the OCTs is based on the EU's Generalised System of Preferences (GSP), but goes beyond the GSP in various areas, such as the granting of extended cumulation possibilities with EU member states, countries with Economic Partnership Agreements or Free Trade Agreements with the EU, as well as GSP-beneficiary countries.
- The Overseas Association Decision also establishes that the EU shall apply no quantitative restrictions, or measures having equivalent effect, on imports of products originating in the OCTs, except where such prohibitions or restrictions may be justified on grounds of:
    - Public mortality or public policy
    - Protection of health and life of humans, animals and plants
    - Protection of national treasures possessing artistic, human or archaeological value
    - Conservation of exhaustible natural resources
    - Protection of industrial and commercial property.
- In addition, the Overseas Association Decision emphasises the principle of non-discrimination and affirms that neither the EU shall discriminate between OCTs, nor the OCTs shall discriminate between EU Member States.
- **Prior to the UK's withdrawal from the EU, Greenland's trade with the UK was underpinned by the EU's agreement with the OCTs, as reflected in the Overseas Association Decision. This gave products originating in the OCTs and, thus, Greenland tariff-free, quota-free preferential access to the EU and, by extension, the UK.**



Image 26: Products from Greenland – from Ilulissat, for instance – have hitherto enjoyed tariff-free, quota-free access to the UK under the EU-OCT arrangement. © Rebecca Gustafsson - Visit Greenland

4.2. The UK Regime

- On 23 June 2016, the UK held a referendum on its membership of the EU, with a majority of 51.9% voting in favour of the UK leaving the EU.
- On 23 January 2020, the UK Parliament ratified the UK-EU Withdrawal Agreement, with the European Parliament giving its consent to the agreement on 29 January 2020, and the Council of the European Union concluding the process on 30 January 2020.
- On 31 January 2020, the UK formally left the EU, but entered a transition period until 31 December 2020 during which it remained within the EU's Single Market and Customs Union, with the new rules governing the UK-EU relationship taking effect only on 1 January 2021.
- As of 1 January 2021, EU trade agreements no longer applied to the UK, and the UK sought to roll over existing EU trade agreements and replicate them as much as possible in the UK's new trade agreements, with a view to reproducing the effects of those agreements, minimise trade disruption, and ensure continuity for UK businesses.

- **TCTA:** The Taxation (Cross-border Trade) Act 2018 (hereon, TCTA), which had received Royal Assent on 13 September 2018, provided the UK with enabling powers to impose and regulate an independent UK customs duty regime at the end of the transition period.
- On 1 May 2020, the UK announced a new global tariff regime – UK Global Tariff (UKGT) – that would apply once the transition period ended to all countries with which the UK did not have a Free Trade Agreement in place, and which were not covered by another agreement.
- The UKGT specifies the non-preferential import duty rates, with product-specific commodity codes determining the rate applied to each good.
- On 1 January 2021, the UKGT replaced the EU's Common External Tariff as the UK's Most Favoured Nation (MFN) tariff, and, since, set out the non-preferential import duty rates that apply, with product-specific commodity codes used to determine the rate applied, to each product.

- **UK PTAs and GSP:** Section 9 of the TCTA provided HM Treasury with the powers to implement Preferential Trade Agreements (PTAs) agreed with the government of a trading partner country, whereby the UK applies a lower import duty rate (preferential tariff) than would otherwise be offered under the UKGT.
- Alongside the UKGT, thus, the UK has established the UK Generalised Scheme of Preferences (UK GSP), under which eligible developing countries can get trade preferences that reduce or remove rates of duty (tariffs) on eligible goods from those countries imported into the UK.
- The UK GSP has three frameworks:
    - Least Developed Countries Framework, for countries that the UN classifies as Least Developed Countries (LDCs) – for example, Afghanistan, Bangladesh, Haiti, Kiribati, Sierra Leone, South Sudan, Somalia, Tuvalu and Vanuatu – imports from which have quota-free access and nil rates of import duty on all goods excluding arms and ammunition.
    - General Framework, for countries that the World Bank classifies as low-income countries (LICs) and lower-middle income countries (LMICs) – for example, Algeria, Congo, India, Indonesia, Micronesia, Nigeria and Vietnam – imports from which have reduced rates of import duty on certain goods.
    - Enhanced Framework, for countries that the World Bank classifies as low-income countries (LICs) and lower-middle income countries (LMICs), and that are economically vulnerable due to a lack of export diversification and a low level of integration with the international trading system – for example, Bolivia, Cape Verde, Kyrgyzstan, Mongolia, Pakistan, Philippines, Sri Lanka and Uzbekistan – imports from which have a nil rate of import duty on certain goods.
- Although Greenland shares much in common with the Least Developed Countries (LDC) and Low Income and Middle Income Countries (LICs and LMICs), and is economically vulnerable due to its remoteness, lack of export diversification and a relatively low level of integration with the international trading system, the UK has not yet recognised Greenland as forming part of any of these groupings, and consequently has not included Greenland in any of its three GSP frameworks.

- **UK-OTs:** Alongside the UKGT, the UK – through the Customs (Tariff-free access for Goods from British Overseas Territories) (EU Exit) Regulations 2020 – also ensured that goods originating in any of the British Overseas Territories (OTs) benefit from tariff-free access on importation into the UK and the Crown Dependencies following the end of the transition period, with only Gibraltar and the UK's sovereign base areas in Cyprus being outside the scope of these regulations.
- As seen earlier, while the UK was still an EU member state, there were 25 Overseas Countries and Territories (OCTs) associated with the EU, which included British Overseas Territories alongside the OCTs associated with the Netherlands, Denmark and France (including Greenland), all of which benefited from tariff-free, quota-free preferential access to the EU and, by extension, the UK, as well as EU financial assistance.
- Thus, while the UK was still an EU member state, Greenland, an OCT associated with Denmark, benefited from tariff-free, quota-free preferential access to the EU, including the UK, while Falkland Islands, an OCT associated with the UK, benefited from tariff-free, quota-free preferential access to the EU, including Denmark, France and the Netherlands, while both Greenland and Falkland Islands qualified for EU financial assistance.
- Once the UK left the EU, the number of OCTs associated with the EU dropped from 25 to 13, with the status of those OCTs in relation to the UK, and the status of the British Overseas Territories in relation to the EU, hanging in the balance: while the British Overseas Territories lost their right to preferential access to the EU market for trade in goods (unless otherwise agreed), the other OCTs, such as Greenland, no longer qualify for preferential access to the UK (unless otherwise agreed).
- While the UK has sought to negotiate a future relationship with the EU that included the British Overseas Territories, it reported that the EU was not inclined to do so, so, apart from a few safeguards it secured, such as ensuring Tristan da Cunha retains tariff-free access to the EU market for its lobsters, there been little progress.

- Although OCTs associated with the EU, such as Greenland, adhere to certain standards and frameworks for access to the EU Single Market, the OCTs, including Greenland, neither form part of EU territory nor are directly subject to EU law.
- Furthermore, while the UK is able to negotiate on behalf of the British Overseas Territories, many OCTs, including Greenland, have the competence on trade with respect to their own territories, and the EU does not have the competence on trade for the OCTs.
- Moreover, as Greenland opted out of the EU, the EU could not and cannot include Greenland in the EU side in any UK-EU trade negotiations.
- Consequently, an OCT such as Greenland is not, and cannot be, covered by the EU-UK Trade and Cooperation Agreement, and it is not possible either for the EU to negotiate on behalf of Greenland, or for the EU and the UK to enter into an agreement with respect to the OCTs on trade.
- Although the UK has introduced a scheme ensuring British OTs retain tariff-free preferential access to the UK, this scheme does not extend to OCTs associated with the EU, such as Greenland, so, despite the repeated assurances of the UK to roll over existing agreements as much as possible, Greenland finds itself in an entirely precarious position, having lost the preferential access to the UK it traditionally enjoyed under the EU-OCT arrangement and not gaining similar preferential access to the UK under either the UK GSP or the UK-OT arrangement.
- Thus, what is urgently needed in the interest of trade continuity is a favourable bilateral UK-Greenland trade agreement that replicates the principles and provisions in the EU's arrangement with the OCTs that underpinned the UK's trade with Greenland while the UK was still within the EU's Single Market and Customs Union – or in the very least, the inclusion of Greenland within one of the three frameworks of the UK GSP or a new or expanded framework that includes OCTs associated with EU member states.

- **UK-Greenland Bilateral Trade Negotiations:** It is important to remember that Greenland had secured free access to the EU Internal Market – now Single Market – through the Greenland Treaty of 1985 (which formalised Greenland's withdrawal from the European Economic Community) before the rest of the OCTs had secured the same through the EU-OCT arrangement.

- The Greenland Treaty places the condition on Greenland that the EU must have satisfactory access to Greenland fishing zones for free market access, while the EU is to compensate Greenland financially for the fishing quotas.
- Thus, while Greenland is covered by the EU-OCT arrangement, it has additional provisions and conditions through the Greenland Treaty.
- As the UK and Greenland negotiate a bilateral preferential trade agreement, the UK must realise that it is negotiating with what is, in many ways, a developing country, geographically remote and with a small and sparse population, that is overly dependent on fishing and that is highly vulnerable to economic and environmental shocks, and it is not a negotiation between two equals economically.
- Making tariff-free access to the UK market conditional on access for UK fisheries to Greenlandic waters will dramatically affect the economic development of Greenland and increase its reliance on subsidies from Denmark. It will also contradict the stated intention of the UK Government to grow free and fair trade with developing countries, and to boost economic growth and jobs therein.
- As the UK seeks to develop a more socially just trade strategy, and to build a stronger relationship – based on trust and goodwill – with an Arctic country that grows more strategically important to the UK with every passing day, it should recognise that what would be much fairer and more prudent is to decouple its trade negotiations from its fisheries negotiations when it comes to Greenland, so, given the asymmetrical power relations, Greenland is not bullied into paying a significantly higher price for preferential access to the UK market than what even more developed countries pay, and than what the UK would be paying, in effect, for access to Greenland's single most important asset – its fishing zones.
- Henrik Leth, Chairman of Polar Seafood and the Greenland Business Association, shared with the author: "Part of the industry will not support a free trade agreement with the UK, if it is a condition that Greenland will have to pay for the agreement with quotas."

- **Duty Suspensions and Tariff Quotas:** The UK has also legislated to introduce temporary duty suspensions on certain goods, normally those used in domestic production, in cases where the competitiveness of UK and Crown Dependency businesses could be adversely affected otherwise: these duty suspensions allow unlimited quantities to be imported into the UK at a reduced tariff rate.
- Section 11 of the TCTA also provided HM Treasury with the powers to establish Tariff Rate Quotas (TRQs) to manage imports into the UK: a TRQ allows a certain quantity of a product to be imported at a zero or reduced tariff rate than would be applied under the standard rate of import duty. Imports outside the quota are subject to a higher tariff rate – usually the UKGT. A TRQ allows the UK to manage the volume of the goods that are imported into the country.
- Unlike duty suspensions which allow unlimited quantities to be imported at a reduced tariff rate, autonomous tariff quotas (ATQs) allow limited quantities of a given good to be imported into the UK at a lower or zero tariff. ATQs are also temporary and apply to specified periods of time, and once imports exceed the stipulated quantity, the UKGT applies. Like duty suspensions, ATQs are also applied on a Most Favoured Nation (MFN) basis, so eligible goods can be imported into the UK from any country or territory at the specified reduced tariff rate.

- In the UK's independent suspensions regime, duty suspensions for products that previously existed in the UK under the EU suspensions scheme have been carried over, while a number of EU ATQs have been transitioned into tariff suspensions, eliminating any limits on the volumes of eligible products that would qualify for reduced rates.
- Such duty suspensions rolled over from the EU regime, and EU ATQs transitioned to duty suspensions, were initially in force for 12 months from 1 January 2021, but have been extended, following internal reviews, until 31 August 2024.
- As part of the new UKGT, the UK introduced an ATQ of 260,000 tonnes for raw cane sugar, which is the quantity allowed to enter the UK tariff-free per year and that is open to all countries. The ATQ would apply for 12 months, from 1 January 2021, with an in-quota rate of 0%, with the out of quota tariff rate, the UKGT MFN rate of £28.00/100 kg applying once the quota threshold is met.

- The stated rationale was to support the UK's raw cane sugar refining capacity, promote consumer choice and competition in the UK sugar market, ensure the UK acts as a reliable market for raw cane sugar from developing countries and support the UK's free trade agreements.
- Alongside sugar, the UK retained ATQs for fish products, of greater relevance to Greenland.

- **Duty Suspensions and ATQs on Fish Products:** When it comes to fish, while ATQs were applied to 28 fish products under the EU regime, 18 of these fish products would not be eligible for ATQs under the UK's independent regime, but face tariffs at the UKGT rates instead.
- With respect to the remaining 10 fish products, the UK retained five ATQs relating to fish products from the EU for a period of 12 months from 1 January 2021, denoting products with volume/quota limitations, and a further five ATQs relating to fish products were transitioned into duty suspensions, denoting products without volume/quota limitations.
- The stated rationale behind these ATQs and duty suspensions was to ensure trade continuity and to minimise disruption caused by bureaucracy, with the UK also offering a window for businesses to apply for further tariff suspensions.

- The five ATQs on fish products from the EU regime retained as ATQs under the UK regime were subject to a 0% duty rate, and applied to the following products and specified volumes:
    - Cod, (Gadus morhua, Gadus macrocephalus), frozen fillets and meat, for processing – 40,140,000 kg.
    - Alaska pollack, frozen, frozen fillets and other frozen meat, for processing – 31,120,000 kg.
    - Shrimps and prawns of the species Pandalus borealis and Pandalus montagui, cooked and peeled, for processing – 5,680,000 kg.
    - Shrimps and prawns of the species Pandalus borealis and Pandalus montagui, in shells, fresh, chilled or frozen, for processing – 620,000 kg.
    - Shrimps and prawns of the species Penaeus vannamei and Penaeus monodon, whether in shell or not, fresh, chilled or frozen, not cooked, for processing – 10,500,000 kg.

- The five ATQs on fish products from the EU regime transitioned into duty suspensions under the UK regime applied to the following products for 12 months from 1 January 2021:
    - Cod (Gadus morhua, Gadus ogac, Gadus macrocephalus) and fish of the species Boreogadus saida, excluding livers and roes, fresh, chilled or frozen, for processing.
    - Hake (Merluccius spp. excluding Merluccius merluccius, Urophycis spp.), and pink cusk-eel (Genypterus blacodes and Genypterus capensis), frozen, for processing.
    - Blue grenadier (Macruronus spp.), frozen fillets and other meat, for processing.
    - Flatfish, frozen fillets and other fish meat (Limanda aspera, Lepidopsetta bilineata, Pleuronectes quadrituberculatus, Limanda ferruginea, Lepidopsetta polyxystra) for processing.
    - Haddock (Melanogrammus aeglefinus), fresh, chilled or frozen with heads off, gilled and gutted, for processing.

- The measures were to be in force for an initial period of 12 months, ending on 31 December 2021 but with the possibility of extension following review, and were to be applied unilaterally, without the expectation of a reciprocal commitment on the part of the exporting country.
- Following the review, four ATQs for fish products were extended at current volume levels until 31 December 2024, but with reviews ahead of that date, while the remaining ATQ for fish products (order no. 05.2794) – applicable to cold-water prawns (Pandalus borealis and Pandalus montagui), cooked and peeled for processing – was to increase to 6,500 tonnes for 2022 and be reviewed by 31 December 2022.

- As of 27 April 2022, the UK had set in place tariff rate quotas of:
    - 2,112,000 kg of herrings (Clupea harengus, Clupea pallasii), flaps of herring, that can be imported from non-EU states at an in-quota rate of 0%, valid from 16 June 2022 until 14 February 2023 (Quote number 05.0006).

- 29,000 kg of tunas (Albacore or longfinned tuna, Yellowfin tuna, Skipjack tuna, Bigeye tuna, Atlantic bluefin tuna, Pacific bluefin tuna, Southern bluefin tuna, other tuna, Kawakawa, fish of the genus Euthynnus (other than Kawakawa), frozen, fresh or chilled, for the industrial manufacture of products of heading 1604, that can be imported from non-EU states at an in-quota rate of 0% from 1 January 2022 until 31 December 2022 (Quota number 05.0008).
- 1,000 kg of silver hake, frozen, fresh or chilled, excluding fish fillets and other fish meat of heading 0304, and for processing, that can be imported from non-EU states at an in-quota rate of 8%, valid from 1 January 2022 until 31 December 2022 (Quota number 05.0009).
- 2,000 kg of cod (Gadus morhua, Gadus ogac, Polar cod) that can be imported from non-EU states at an in-quota rate of 8%, valid from 1 January 2022 until 31 December 2022 (Quota number 05.0007).
- 987,000 kg of sardines, bonito, mackerel of the species Scomber scombrus and Sccomber japonicus, fish of the species Orcynopsis unicolor that can be imported from Thailand at an in-quota rate of 0%, valid from 1 January 2022 until 31 December 2022 (Quota number 05.0706).
- 234,000 kg of sardines, bonito and mackerel of the species Scomber scombrus and Sccomber japonicus, fish of the species Orcynopsis unicolor that can be imported from non-EU states at an in-quota rate of 0%, valid from 1 January 2022 until 31 December 2022 (Quota number 05.0707).
- 35,000 kg of freshwater crayfish cooked with dill, frozen, that can be imported from non-EU states at an in-quota rate of 0%, valid from 1 January 2022 until 31 December 2022 (Quota number 05.0046).
- 40,140,000 kg of cod, frozen, that can be imported at an in-quota rate of 0%, valid from 1 January 2022 until 31 December 2022 (Quota number 05.2776)
- 31,120,000 kg of Alaska pollock, fresh, frozen, chilled, including fillets, for processing that can be imported at an in-quota rate of 0%, valid from 1 January 2022 until 31 December 2022 (Quota number 05.2777).
- 6,500,000 kg of cold-water prawns (Pandalus borealis and Pandalus montagui), cooked and peeled for processing, that can be imported at an in-quota rate of 0%, valid from 1 January 2022 until 31 December 2022 (Quota number 05.2794).
- 620,000 kg of cold-water prawns (Pandalus borealis and Pandalus montagui), frozen, fresh or chilled, and in shell, for processing, that can be imported at an in-quota rate of 0%, valid from 1 January 2022 until 31 December 2022 (Quota number 05.2798).
- 10,500,000 kg of prawns (Penaeus vannamei and Penaeus monodon), frozen, fresh or chilled, whether in shell or not, not cooked, for processing, that can be imported at an in-quota rate of 0%, valid from 1 January 2022 until 31 December 2022 (Quota number 05.2802).

- While the duty suspensions and ATQs helped ensure some degree of continuity in UK-Greenland trade, Greenlandic producers and exporters have faced a number of challenges, starting with the ATQs being open to all countries in some cases or all non-EU countries in other cases and not specific to Greenland.
- As the ATQs operate on a first-come-first-served basis, it means that quotas for the year can be met rather early in the year, with additional volumes of fish products under those product codes qualifying for full tariffs under the UKGT.
- The UK independent regime, thus, does little to ensure continuity, or avoid disruption, when it comes to UK-Greenland trade as it does not even replicate the conditions in which bilateral trade occurred prior to the end of the transition period when Greenland could export unlimited quantities of fish products to the UK on a tariff-free, quota-free preferential basis.

- **Processing and Industrial Use:** Furthermore, the duty suspensions and ATQs relate specifically to the enlisted products being imported into the UK for processing, so, for instance, the duty suspension does not apply to all fresh, chilled or frozen cod, but only to fresh, chilled or frozen cod imported specifically for processing, and the ATQ does not apply to all cooked and peeled cold-water prawns, but only to those specifically imported for processing.

- In order to benefit from tariff relief, thus, an eligible fish product must fulfil a set of criteria to qualify as being processed for human consumption, so while filleting, cutting up frozen blocks, dicing, production of flaps and splitting of frozen interleaved fillet blocks is allowed, one cannot claim relief for cleaning, gutting, heading, cutting, sampling, sorting, labelling, packing, chilling, freezing, deep-freezing, thawing, separation and treatments carried out at a retail or catering establishment.
- Thus, fish products that are imported in finished consumer packaging and sold to retail outlets for direct sales to customers, or that are imported in larger packaging and sold to foodservice companies and wholesale companies that might re-pack the products in their factories in smaller packaging, are not eligible for 0% duty rate but subject to the full duty rate.
- That being said, an eligible fish product could also qualify for tariff relief if it is for use in the industrial manufacture of products, including cooked or otherwise prepared or preserved (such as fish fillets covered in batter or breadcrumbs); boiled, steamed, grilled, fried, roasted or otherwise cooked; prepared or preserved in vinegar, oil, fish marinades, fish sausages or fish paste; prepared or preserved (finely homogenised, pasteurised or sterilised fish); and follow certain food preparations; caviar or its substitutes.
- If one is importing prawns, one can qualify for tariff relief if the prawns have been through an industrial process such as being incorporated in pies, vol-au-vents, curries and, if prawn sandwiches, made in a factory for onward supply and to be sold in supermarkets, shops and restaurants.

- Consequently, a good amount of Greenland's exports of fish products to the UK does not qualify for these tariff suspensions or reductions, and are subject instead to full tariffs under the UKGT.
- As of January 2021, Greenlandic producers feared that only 24% of Greenland's fish exports to the UK would be covered by the UK's temporary tariff reduction measures.
- This has meant that substantial duty is now being levied on most goods from Greenland entering the UK, including cold-water prawns, cod and haddock.
- For instance, the export of Greenland's cold-water prawns has been significantly affected, having been slapped with a 20% customs barrier: a customs barrier that, to make matters worse, does not affect seafood producers and exporters in Canada, Iceland and Norway, with which the UK has entered into agreements.
- Greenlandic producers/exporters, thus, have found it difficult even to set a price for their products or bid for tenders due to the uncertainties about whether or not their products will be hit by tariffs.
- When their products are hit by tariffs, it has been difficult to come up with competitive bids due to factors beyond their control, such as certain countries already benefiting from reduced or nil tariffs under preferential trade agreements, while Greenland being subject to the UKGT.
- Several major new tenders and contracts have not been given to Greenlandic suppliers due to the insecurity of not knowing if and when there will be a trade deal.
- As a result, Greenlandic producers have been compelled to pay significantly lower prices to the fishermen who supply their factories. These fishermen often reside in small communities spread across the vast country where one simply cannot look elsewhere to find new work in other industries.

- British consumers too are adversely affected: as many households in the UK struggle to make ends meet amidst the cost-of-living crisis, fuelled by the pandemic, global energy crisis and then the Russian invasion of Ukraine, they also have to confront the rising prices of food, with the prices of fish and fish products rising steeply often due to the tariffs being imposed on these products.
- Prices have increased around 5%-6% in value since the beginning of 2022.
- Furthermore, as there is a substantial value chain that has developed around Greenlandic fish products in the UK, any disruption to UK-Greenland trade has profound consequences for British businesses, such as fish and chips shops, that rely on these products.
- The traditional British fish and chips shop is a family-run business, which buys frozen at sea fillets of cod, cuts them into portions in the shop, batters those portions, and then fries them to sell to customers. The value addition that the ATQs foresee happening is only for processes on an industrial scale, not the kind that happens in a fish and chips shop.

- If Greenlandic companies were to take the fish to a large factory, have it prepared there and then sent to fish and chips shops, they might qualify for the ATQ on cod, but as the work is done in the shop, it does not qualify. Nevertheless, it is value addition.
- These small businesses are currently under great pressure due to raw material prices, and increasing duties on their raw material is not going to help.
- If the tariffs imposed by the UK on Greenlandic products make them unviable and force them out of the UK market, compelling Greenlandic producers and exporters to look for alternative markets, the substantial decrease in choice and competition will only cause fish prices in the UK to soar further, accompanied by a potential decline in the quality and sustainability of available products.

- Moreover, in 2014, the European Council adopted the Council Decision concerning veterinary border control, whereby fish and fish products originating in Greenland can enjoy free access to and circulation in the EU's single market and are not subject to veterinary border control in Denmark or elsewhere in the EU upon their importation into the EU, as this already happens in Greenland. The Council Decision made Greenland an 'external border' for the EU in terms of fish products, and Denmark ('food' is still a competence under Denmark) undertakes veterinary border control on fish landed in Greenland from non-EU countries such as Canadian and Russian fishing vessels.[44]
- This has meant that seafood products originating in Greenland have been exempt from veterinary control at the border upon their importation into the UK, as it has already happened in Greenland, so the UK's withdrawal from the EU opened another Pandora's box, this time concerning the food safety, animal health and veterinary standards and controls that would come to be imposed on countries such as Greenland if the provisions underpinning existing agreements are not replicated, and the impact that would have on UK-Greenland trade.
- Jonas Engilbertsson of Arctic Prime Fisheries noted: "Greenlandic vessels offload their cargo in Greenland, Iceland, Faroe Islands and Norway all depending on where the closest port is to their catching grounds at the time. Exports to the EU and UK were never subject to large scale documentation issues, and it is of major importance to the Greenlandic industry that the value chain is not overly complicated and burdened by documentation. The UK fishing industry, despite all the resources in the UK, faced massive issues related to exports to the EU post Brexit because of veterinary documentation. It is our sincere hope that the UK does not place Greenland in a similar position regarding imports into the UK post Brexit."



Image 27: Heading towards the sun on dog sled, Sisimiut. © Dwayne Menezes - Polar Research and Policy Initiative

[44] Naalakkersuisut, "Veterinary Border Control in Greenland". https://naalakkersuisut.gl/en/Naalakkersuisut/Departments/Fiskeri-Fangst-og-Landbrug/Veterinaer-og-Foedevare-Myndigheden-i-Groenland/Veterinaer-graensekontrol

5. The Impact of UK-Greenland Trade Disruption: The Big Five Concerns

- **Tariffs:** While the UK was an EU member state, Greenland's exports to the UK benefited from tariff-free access to the UK. While the UK has established an independent customs regime, it has neither struck a Free Trade Agreement with Greenland, nor included Greenland within the scope of its GSP for preferential trade with developing countries, nor created a preferential trade framework for EU OCTs, so Greenland's fish exports to the UK – except for what qualifies for duty suspensions and ATQs – have faced tariffs of up to 20%. As Greenland's fish exports to the UK account for more than 11.5% of Greenland's total exports of goods to the world, and for a significant proportion of the UK's supply of cold-water prawns, cod and haddock, the imposition of steep tariffs on Greenlandic products threatens not only Greenland's seafood industry, but also UK industries, including the seafood processing, retail and out-of-home food industries, and UK consumers.

- **Quotas:** While the UK was within the EU, Greenland's exports to the UK were not subject to any quotas. However, several fish products from Greenland now, even if they do qualify for reduced tariffs under the ATQs, have to compete with all countries or all non-EU countries, as specified, on a first-come-first-served basis and face the challenge of quotas being met very rapidly. Furthermore, these products are also subject to the volume limits and eligibility criteria associated with ATQs, which means that any quantity surpassing the specified threshold or not meeting the criteria to qualify as being "for processing" or "for industrial manufacture" is subject to full tariffs under the UKGT. This has cause significant trade disruption, with Greenlandic producers fearing at one point that only 24% of Greenland's exports to the UK were covered under the UK's temporary tariff measures.

- **Impact on Price, Demand, Food Quality and Food Security:** The tariffs, moreover, translate as a sharp increase in the prices of some of the most popular seafood products in the UK, adversely affecting UK consumers who are already grappling with a cost-of-living crisis, evident in the rising energy and food costs. This could also undermine the competitiveness of Greenlandic products and force Greenlandic products out of the market, and in the absence of the vast supply from Greenland exercising a downward pressure on prices, the lower choice and competition in the UK market for fish products could result in a steeper price hike, accompanied by a potential decline in the quality and sustainability of available products. It could also reduce demand, both among importers and consumers; or compel UK consumers to find alternative sources of fish products that could be lower quality and less sustainable. Given the extent to which seafood from Greenland has permeated the UK market for decades, this would also undermine UK food supply and security.

- **Veterinary Inspections:** Through the European Council Decision of 2014 – "the veterinary agreement" – on seafood originating in Greenland, Greenlandic seafood enjoys free access to and circulation in the EU's Single Market and is not subject to veterinary border control in Denmark or elsewhere in the EU upon its importation into the EU, with Greenland serving as the EU's de facto external border when it comes to fish products. Fish and fish products originating in Greenland, thus, had been exempt from veterinary border control in the UK. If the provisions underpinning existing agreements are not replicated in a UK-Greenland trade agreement, then any food safety, animal health and veterinary standards and controls that the UK might impose on third countries would also extend to Greenland, adding greater levels of bureaucracy, cost and control that would stifle the UK's ability to import from one of its largest and most traditional food sources.

- **Impact on Investment, Employment and Regional Economies:** Greenlandic producers and exporters will struggle to maintain their rates of pay to Greenlandic fishermen, or even to maintain rates of employment, which will affect regional economies in Greenland overwhelmingly dependent on fishing. Any disruption in UK-Greenland trade, furthermore, will adversely affect UK importers, processors, distributors, traders, wholesalers, retailers, restaurants, pubs and fish and chips shops. Over the decades, there has emerged entire value chains around the import and processing of Greenlandic seafood within the UK, and both UK and Greenlandic businesses have invested substantially in UK infrastructure, particularly for processing, distribution, marketing and sales. As a big share of Greenland's fish exports to the UK comprises semi-finished products that undergo value addition within the UK, new barriers in UK-Greenland trade threaten UK jobs and investment, and undermine specialist industries and regional economies in the UK.

6. Avoiding Disruption: The Ten Recommendations

Here are the 10 recommendations we would encourage the UK Government and UK Parliament to consider when negotiating or scrutinising a bilateral trade agreement between Greenland and the UK.

- We strongly recommend that the UK – with a view to minimise any further trade disruption between the UK and Greenland – negotiates at the soonest a trade agreement with Greenland that replicates as fully as possible the principles and provisions of the EU-OCT arrangement, which underpinned UK-Greenland trade until the UK left the EU's Single Market and Customs Union.

- We strongly recommend that the UK – with a view to boost its own competitiveness and contribute more effectively to social and economic development internationally – applies preferential rules of origin unilaterally to products originating in Greenland, as had been the case while the UK was still an EU member state and regarded Greenland as an OCT to the EU.

- We strongly recommend that the UK recognises that Greenland has more in common with developing countries, especially when it comes to its remoteness, lack of export diversification and relatively low level of integration with the international trading system, and includes Greenland within one of the three frameworks of the UK GSP or a new (fourth) framework created for OCTs.

- We strongly recommend that the UK negotiates with Greenland fairly and in good faith, recognising the asymmetry of economic size and power, ensuring its trade agreement and fisheries agreement are negotiated separately, and not treating greater access to Greenlandic waters for the UK's fishing industry as a precondition for preferential access for Greenlandic firms to the UK market.

- We strongly recommend that the UK eliminates all new tariffs, quotas or any other quantitative restrictions, or measures having equivalent effect, on Greenland's exports to the UK, ensuring that products originating in Greenland once again enjoy tariff-free, quota-free preferential access to the UK, as they had done while the UK was an EU member state.

- We strongly recommend that, with respect to temporary tariff measures, the volume limits associated with ATQs for fish products are substantially increased so they do not run out early in the year; that the ATQs are reviewed and revised in consultation with stakeholders on an ongoing basis, and that Greenland is urgently allotted fixed quotas, as quota number 05.0706 has set in place for Thailand.

- We strongly recommend that, in the spirit of rolling over EU trade agreements applicable prior to the UK leaving the EU as much as possible in the UK's new trade agreements, the restrictive criteria of what constitutes "for processing" or "for industrial use" to qualify for tariff relief is eased for Greenlandic fish products, so any further disruption is minimised, and trade continuity restored.

- We strongly recommend that any new rules concerning tolerances or cumulation that the UK may introduce to determine preferential origin are no less generous and simplified than the rules stipulated by the EU in the Overseas Association Decision, and that, if they are to be changed, they are made more generous and simplified.

- We strongly recommend that the UK, recognising that products from Greenland were hitherto not subject to any veterinary border checks or controls upon their import into the UK while the UK was still an EU member state, does not impose new veterinary checks or controls on Greenland or introduce new food safety, health and veterinary standards that automatically extend to Greenland.

- We strongly recommend that the UK extends the trade negotiations beyond the immediate priority – fish and fish products – to include other areas in which Greenland has great potential, such as the export of critical minerals, including rare earths; the production and export of hydropower, as well as green hydrogen; the export of water; tourism; research; and defence.



Image 28: Kangerlussuaq – Greenland's main international airport – is closer to London than to Copenhagen, Paris, Frankfurt or New York. © Dwayne Menezes - Polar Research and Policy Initiative

7. About the Author



Dr Dwayne Ryan Menezes is the Founder and Managing Director of Polar Research and Policy Initiative (PRPI), a London-based international think-tank dedicated to Arctic, Nordic, North Atlantic, North Pacific and Antarctic affairs, and the editor of its digital portal *The Polar Connection*, the world's largest platform for Arctic analysis and commentary. He is also the Director of the All-Party Parliamentary Group for Greenland in the UK Parliament.

In addition, Dr Menezes is the Co-Founder and Director of the *Arctic Business Journal*; Vice-President of *Arctic Today*; and a Member of the Advisory Board of *JONAA – Journal of the North Atlantic & Arctic*. He is also the Co-Chair of Arctic Encounter London, an Anglo-American conference focusing on trade and security in the Arctic; and author or editor of numerous publications about the Arctic, including *The North American Arctic: Themes in Regional Security* (London: UCL Press, 2019), *The Case for a Five Eyes Critical Minerals Alliance: Focus on Greenland* (London: PRPI, 2021) and *Non-State Actors in the Arctic* (Springer, forthcoming).

Dr Menezes read History at the London School of Economics and Political Science (LSE) and the University of Cambridge, graduating from the latter with a PhD in History. He then held honorary, associate or visiting research fellowships at research centres at the Universities of Cambridge, Oxford and London. At present, he serves as Associate Fellow at the Institute of Commonwealth Studies, University of London and Honorary Fellow at the UCL Institute for Risk and Disaster Reduction, University College London. He is also a Fellow of the Royal Historical Society, Royal Geographical Society and Royal Society of Arts.

Over the past decade, he has also served as Consultant to the Commonwealth Secretary-General, Principal Consultant to a European Parliament Intergroup, Research Associate to a UN Special Rapporteur and Head of the Secretariat of the Yemen All-Party Parliamentary Group in the UK Parliament. He is also the Founder and Director of Human Security Centre, Co-Founder and Chairman of Think-Film Impact Production, and the Associate Producer of four award-winning films.



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