



Ornamental Aquatic Trade Association Ltd

ANNUAL REPORT

2008-2009

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DIRECTORS REPORT

2009 has been another challenging year for members especially in the garden pond sector. Of course we all hope the green shoots suggested by some economic commentators are real and grow rapidly.

We are pleased to say that OATA has continued to receive strong support from members. This has enabled us to continue ensuring that our views are known and taken into account on a wide range of places both in the UK and abroad on a wide range of issues. OATA's purpose is to promote and protect the industry and we are pleased to say there has been no let up in our efforts.

To compound the impact of the economic factors at play this year has seen the long delayed consultation on KHV. We recognised the reasonable but strong views held by different groups of our members. Unfortunately these views are diametrically opposed. We believe the OATA response even handedly encapsulated both views.

Irrespective of the outcome we recognise it will have a significant impact for some, businesses and the continued uncertainty hurts all of us. Not knowing where fish might be purchased in the future and how any imported fish might be traded between different parts of the UK are issues that are left hanging. The consultation was far from robust and contained inaccuracies that unless corrected could lead to further delays as any decisions are challenged in the courts.

There is inevitably going to be a General Election in the next 12 months. We are pleased that OATA is taking a leading role in the ProPets group preparing information to underscore the value both social, health and economic terms the value of the pet industry to country. This information will be sent to all candidates in the forthcoming election.

AQUA 2010 is a massive and exciting undertaking. OATA is an active partner in establishing this new trade show which is, in response to requests from within the industry. We are working hard with Annie Dyke and Gordon Thomas of Impact exhibitions to prepare a show that will provide a really warm welcome for all visitors and one which facilitates both the business and social side of such events. We hope to see you there if not before.



CHIEF EXECUTIVES REPORT

It is certainly true that no two days in the OATA office are the same. Plant health, invasive species, CITES (or rather the EU interpretation of it), sustainable use, veterinary medicines, biocides, pet shop licensing, budgeting, planning for trade shows, distance learning, Access and Benefit Sharing (ABS), analysing trade statistics, fish diseases and import problems can all crop up in a particularly “interesting” single day let alone over the course of a year.

This can mean contact with groups as diverse as the Health and Safety at Work Executive, DEFRA , CEFAS and their six other equivalents around the UK, Animal Health, Veterinary Medicines Directorate, local authorities, national governments, The European Commission, foreign governments, groups like the International Chamber of Commerce and trade associations around the world..

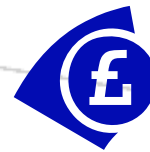
With the network of issues and another network of contacts I sometimes feel like a spider in a three dimensional web. Though it is not foolproof this web helps make sure I can be aware of important events that can affect members. Of course members can and do play an extraordinarily important part in finding out what is happening and we always welcome information. It is always best we told the same information several times that we don't hear it at all.

An exciting development this year is the decision for OATA to become fully associated with a new style trade show specifically for the aquatics industry. We look forward to working with Impact Exhibitions that will be fresh and vibrant and meet, and exceed the needs and expectations of the industry.

ECONOMIC TURMOIL

When we wrote the last Annual Report the straws of the impending economic maelstrom were blowing in the wind. Much of what we sell, including the vast majority of the fish and plants, as well as significant quantities of dry goods, is imported. These and the costs of transporting them are often bought and sold in US \$. In October last year a £ would buy \$1.86 down from \$2.00 in the previous January. By December a £ would buy just \$1.51 and by February this year just \$1.37 a fall in value in 14 months of almost one third. There has since been a modest recovery.

“In February the £ had in effect become devalued by 33% compared to the US \$.”



Comings and goings in the office

During the year we have seen Claire Emmanuelle Hooper Bué (Manue) leave the office. She has moved to Southampton where she now works in the same company as her husband, saving both of them enormous amount of expense and time in travelling. We enjoyed working with her and wish her all the very best in the future.

In her place as Assistant to the Chief Executive we have recruited Lindsey Alexander. She has just completed her degree in Marine Biology at Newcastle University very successfully. Prior to going to University she spent several years working in a mixed aquatics and pet shop.

New Animal Welfare laws proposed for Northern Ireland

England, Scotland and Wales all introduced new Animal Welfare Acts in 2006 to replace laws that were almost a century old. Though the law in Northern Ireland is

only 30 years old they are going to introduce laws which we anticipate will be similar to those introduced elsewhere in 2006. OATA is following developments.

VETERINARY MEDICINES

The Small Animal Exemption Scheme (SAES) has now been in place for a couple of years. Of course there have been teething problems and OATA is still actively working on these. Contrast the situation in the UK, where despite all there is a recognised legal market, with Italy were in the absence of equally effective representation products are being removed from retailer's shelves. Until OATA, with the full backing of key manufacturers, pushed the matter of introducing proportionate controls, all fish treatments were in a grey zone. Though their presence on the market was well known to the authorities they were not technically legal. This led to considerable uncertainty for all concerned.

The investment by manufacturers in enabling the SAES to be introduced and thus ensure the presence of fish treatments on the market has been considerable both in terms of time and cost. The dividend to the industry has been continued sales of products which help protect the welfare of the fish we sell and the retail sale of treatments worth millions of £'s annually.

It is those manufacturers who are actively engaged with and meeting the requirements of the SAES that are ensuring fish treatments remain available. Their efforts must be recognised, applauded and supported. Any companies undermining the SAES are no friends to the industry. So make sure you buy and sell only properly manufactured and labelled products.

GOVERNMENT GOLIATH SALAMI **SLICING INDUSTRY?**

If you feel either your business or the industry is a bit like salami that is being sliced away thin slice by thin slice then join the club. More so than probably any other time I have been with OATA the industry seems confronted by a myriad of issues each of which could take another slice of business, such as bans on some plant sales here, massively more expensive import permits on corals there and so forth.



Part of the problem is that while government departments expect industry to be active in finding out and finding, assessing and responding to ongoing consultations, officials seemingly sometimes don't even look at what other consultations are being undertaken elsewhere by their own department. Thus the cumulative impact of consultations both in terms of the impact they would have on a sector and a sector's capacity to respond are not appreciated. Many of the policy groups within Defra are six or seven strong backed up by the staff in a variety of agencies such as CEFAS— each is therefore twice, or more, the size of OATA.

The proposals for legislation they devise vary from the simple (infrequently) to the complex not to say labyrinthine. Add the Directives, Regulations and Decisions from Brussels and I am not always sure if anyone truly understands what the impact on business will be. Indeed at times the detail and scope makes me wonder if we are not entering a period resembling the old Soviet bloc (without for the time being the KGB or Stasi) where the state must know everything about everything and have registers to prove it.

It behoves officials to sometimes remember two things. Firstly without a wealth creating mechanism-private industry-there would be no government. Secondly that it is not a key role of industry to facilitate government but rather for government to facilitate industry.

It is a David and Goliath battle. OATA's resources are minute compared to government. But we will continue to battle on every issue possible always conscious that every slice of salami, or slice of turnover, lost may never be replaced and represents a threat to real businesses and the ability of real people to pay their mortgages. This is especially the case as the economic situation remains poor.

FULL COST RECOVERY



This term has become almost a “mantra” in some sections of government. The idea is that any processes, such as import controls, above and beyond what a member of the public would not normally use themselves should not be funded from the public purse. Rather they should be met by those who use the service.

Before we proceed to give examples where the rush to full cost recovery has brought about perverse outcomes it cannot escape comment that our industry may already contribute as much as £200 million each year in taxes to the exchequer.

How long to issue a pet shop licence ?

During this year a district council (it doesn't matter which one save to say they are to be applauded for having a serious look at how their charges are determined) wanted to charge a new pet shop over £1,500 for a new licence. This figure was not just plucked out of the air but based on a report of resources expended. Any lower figure was not thought to cover all the costs and thus pass a charge to the council tax papers locally.

Assuming a salary of between £20 and £30k pa for the licensing officer and council over heads of 40% the “new licence” charge equates to at least 9.5 working days or as many as 14.5 days, spent on each licence application.

Existing licence holders were charged £220 (1.4 to 2.9 days) for renewals and after further consideration new licences would be charged at £440. This theoretically leaves the council tax payer to pick up the short fall. While some councils may argue there are vets fees to cover the pet shop licence visits are measured in hours not days. What is the officer's time spent on when not actually inspecting the pet shop?!

Maybe before looking for full cost recovery it might be better for councils to identify efficiency saving. It is too easy to cover up less efficient processes by using the “full cost recovery” argument to recoup expenditure.

CITES Charges to support conservation of species **(or administrative capacity in Bristol?)**

After 5 or more years on government contemplation about the level of the permit fees to import hard corals and seahorses species rose from £5-7 to £59. These increases were in line with the governments “full cost recovery” policy.

OATA fought for more than five year, taking the argument to meetings with Ministers on two occasions. The key points we raised were:



- Though generally described as CITES Import permits they are nothing of the sort. CITES does not require import permits for the species groups mentioned above. In fact import permits are a “harsher domestic measure” required by European regulations. All member states are supposed to impose “full cost recovery charges” but countries such as France charge nothing.
- The UK is a member of an international convention that requires that there is a fair and equitable distribution of the benefits from the sustainable use of biological resources. Import permit charges are known to sometimes exceed the value of the animals in the consignments (more than 5 permits are sometimes required). Thus more money goes to the UK for administering a permit system not required by CITES than goes to the country of origin. Put another way more is spent on offices and officials in the UK than goes to provide livelihoods in the southern hemisphere. I leave the reader to decide if that arrangement is either fair or equitable

Display of Siamese Fighters

If there was not enough evidence of the public scrutiny under which an industry that sells to the public operates a Public Petition presented to the Scottish Parliament only adds to it. A member of the public pressed for small containers to display Siamese Fighters in retailers to be banned for a whole variety of reasons. OATA responded to a

request from the Petition Committee for comments. We among other organisations pointed out that as long as the water quality was maintained the relatively short time they were kept in such containers before they were sold was unlikely to cause any welfare problems. This view was accepted and the petition dismissed.

FISH DISEASES

2008/9 could be labelled “the year of the KHV consultation” or “the year of the new fish health certificates”. Both the consultation and the certificates (and much else besides) have their origins in the Aquatic Animal Health Directive.

KHV

Few need any reminder of the impact of this disease first recognised in the UK in 1996 and subsequently in Israel during 1998. Since then it has spread globally. It became a listed disease internationally in 2003 and then by the EU in 2006. A minister stated in July 2006 that he intended that KHV would be made notifiable in the UK even before it was an EU requirement.

During 2008 DEFRA undertook a study of how widely KHV was present in the UK, to help decide which of five disease categories the UK should adopt for KHV. The two options were Category IV “Eradication” or Category V “Diseased”.

Either choice will have major impacts. If Category VI is chosen then imports will only be available from KHV free sites that have not vaccinated their fish. Category V means there will be no controls the import of fish that might be infected by KHV- any benefit from investment in producing or finding sites producing KHV fish will, if not wasted, be limited. Thus whatever the final decision it will disappoint some of our members.



Given how much rested on this decision and the time taken in its preparation, the consultation paper should have been very robust. In the event it was disappointing.

The preferred option expressed by DEFRA in the consultation was Category VI that is “Eradication”. Unfortunately what was meant by eradication was never defined –it could mean eradication of outbreaks of clinical disease or of the virus itself. A confounding factor is that generally herpes virus becomes latent for extended periods in their hosts. Much information from CEFAS and other sources indicate KHV is no exception. Thus the absence of clinical outbreaks does not mean the virus isn’t present.

The Economic Impact assessment was we believe full of errors and lacked any description of the assumptions made

Unless these two issues are resolved when the final decision is published it seems likely that DEFRA will be subject to legal challenge. The outcome of that will be even longer delays and an extended period of uncertainty for all businesses.

HEALTH CERTIFICATES



The Aquatic Health Directive is supposed to be designed to identify and manage risk. Once identified one would presume it would be wise to communicate that risk clearly and as simply as possible to all concerned. The document that is seen by more officials and traders than any other is the Import Health Certificate.

Instead of a clear simple document what we are presented with is pages of turgid text that requires cross referencing with a range of other directives. It is designed to tick administrative boxes not to allow officials in exporting countries working in English as a third language any realistic hope of easily understanding what is required.

Its complexity has led to import restrictions not because of risk of disease but risk of making administrative errors.

This is a clear case of administrative need confounding the intent of a Directive by obscuring it in complex language. It serves neither the governments wish to improve biosecurity nor the needs of our industry.



International codes on invasive pets

The Council of Europe (not the EC but an organisation with 40+ country members) commissioned Keith Davenport and Jim Collins (a private keeper with a very broad range of species in his collection) to write a code of conduct to avoid pets become invasive. This is likely to reviewed by the countries concerned and be published next year. OATA continues to be extensively involved in government

working groups on the invasives species issues in the UK.

At a global level a “tool kit” of measures to prevent pets becoming invasive is being prepared by Jamie Reaser of PIJAC (USA) for the 180 countries who are signatories of the Convention on Biological Diversity (CBD).

INVASIVE SPECIES...

Why is so much attention being paid to them?

Invasive species are attracting the interest of administrators and politicians globally as it is claimed they:

- Are the second greatest cause of species extinction after habitat loss
- Cause problems that cost \$1.5 trillion a year that is almost 5% of global GDP
- Cause €12 billion damage in the EU alone

The issue important for our industry because:

- A review of the Wildlife and Countryside Act could lead a ban of the sale of some plant species
- A review of the Import of Live Fish Act is on the cards. This could threaten the sales of species such as the Sterlet.
- Implementation of the The use of Alien and locally absent species in aquaculture could also apply to our industry
- The national press are taking more and more interest in the issue
- More and more research scientists are looking at the issue. The more people looking for problems the more likely they are to be found.

Species of concern for our industry:

- Concern has been expressed for some time that goldfish released in the wild are breeding with the native Crucian carp. This has occurred to such an extent that native species may be hybridised to extinction. Not all goldfish released in the wild are from our sector –some have been released either as livebait or for fishing in their own right
- Plant species such as Parrots feather and *Crassula* are choking streams and ponds crowding out native species. *Crassula* is growing so prolifically in some areas it is filling in ponds

But we can be part of the solution by:

- Helping communicate the message that nothing that is purchased for a pond or aquarium should ever be released in the wild
- When considering importing new species look at whether or not it might be invasive in UK conditions

RELEASE TO THE WILD:

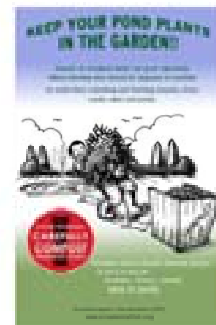
Unfortunately it appears fish and plants from our industry continue to be released to the wild. The bad publicity from goldfish turning up in village ponds or another aquatic plant threatening to run riot in the countryside is often directed toward the industry. Our critics would argue that if species are not for sale they could not be released. Are we helpless victims of others behaviour? We can be if we want to be. Alternatively we can be, and can be seen to be, a major factor in solving the problem. This can be achieved by being seen to promote the message that no animal or plant bought from any member should be released to the wild by the public– it almost definitely illegal either because of the animal welfare or waste disposal law.

Species new to trade may present a significant short term market opportunity for a few businesses but if they subsequently become invasive the adverse impact may be damaging for the whole industry. Thus we would urge members to review the biological characteristics of such species and if it appears possible they may survive and even worse breed successfully in UK conditions think twice about stocking them.

DUMPING PLANT WASTE IS CRIMINAL

“Fly tipping” is waste illegally deposited on land. Normally the term is associated with the dumping of rubble, old fridges and beds by the road side or in gateways down country lanes. During 2008/9 local authorities reported almost 1,000 cases of “green fly tipping” a week. We have probably seen old grass mowings, hedge cuttings and this year’s bedding plants dumped in hedgerows – in the eyes of the law these are just as criminal as any other type of fly tipping. It may even be worse as some of this material might take root, seed or otherwise grow and multiply unlike a pile of building rubble it can spread.

A “Fly tipper” is in effect a “litter lout” by another name. We can help make sure that disposing of garden or pond waste in the wild is seen for what it is – unacceptable anti-social behaviour.



ABANDONING FISH IN THE WILD IS CRUEL



Releasing ornamental fish (and other animals) to the wild is very likely to be cruel. Ornamental fish because they have been raised in captivity and their changed body colours and shapes are not well suited to life in the wild. Some will be picked off by local predators; others will be unable find food and will die of starvation while others may succumb to disease. Most will die either a brutal or lingering death. Any that survive to breed may become invasive.

GARDEN PONDS – Havens for Wildlife?



A recent scientific paper estimated that there were between 2.5 and 3.5 million garden ponds in the UK. This figure was based on a government survey undertaken by interviewing over 17,000 households of whom almost 2,400 said they had “a pond aiming to attract wildlife”.

The average size of a pond was estimated at just 1 square metre – which seems remarkably small. Even so it was estimated that there is a potential total area of over 800 acres of ponds in UK gardens.



These ponds have been installed in gardens over the last century, when for a whole variety of reasons, natural ponds have halved in number. As we all know garden ponds are frequently homes to frogs, toads, newts, dragon flies and a myriad of invertebrates. However no formal study of which pond features attract most wildlife has been undertaken. That is now being rectified by the group “Pond Conservation” in association with OATA. They have made a low key start to getting the public to gather information on what animals are present in their ponds.



Next year it is hoped a pond dipping project will help gather information from ponds across the country. OATA members will have the opportunity to co-operate in promoting the campaign by for instance providing information in their retail outlets, offering conductivity testing and interesting local schools and youth groups in ponds and pond keeping.



Having accurate independent information on the biodiversity of ponds is likely to enable a very positive message to be passed to the public. How many more might then wish to put in a garden pond if they thought they were helping wild life. The project might help by identifying key features of ponds that attract wildlife and offers ways to improve even the least wildlife friendly ponds. Getting people to look at ponds more closely may only reinforce their fascination with them.

There may also be sponsorship opportunities for Pond Conservations “Million pond” project which is seeking to replace the natural ponds lost in the last century. By donating £1 Pond Conservation can leverage another £9 from other sources.



ACCESS AND BENEFIT SHARING (ABS)

In just 12 months 180 countries will meet in Nagoya, Japan and try to decide an international ABS agreement. In essence each country owns the biodiversity and genetic resources within its borders and this agreement will set the rules of how it may be accessed and used.

There are major issues that are unclear:

Will every plant and animal need to be accompanied by a certificate of origin and a statement of what uses e.g. kept as a pet or used for breeding it may be used

Probably not. But if an animal or plant is bred in significant numbers in the future and the origin of the brood stock can't be proved legal problems and claims for compensation may follow.

Will the rules be retroactive?

Probably not.

But if there is a change of use of an animal or plant and economic benefits are gained the new rules may apply to the new use.

How many transactions are intended to be or will be caught up in any regime – hundreds, thousands, millions or billions?

Nobody has a clue. OATA has raised this with DEFRA. After all how can officials complete and Economic Impact Assessment to advise Ministers without knowing such basic facts.

Who will pay whom and how to access a new resource?

“Payment” can be monetary and non-monetary e.g. by the transfer of technology. Where a species is found in more than one country there might be a competitive market for access to a species or the countries may set up a joint fund to receive money.

When the countries last met there were literally thousands of disputes over the text of an agreement. This would make it seem unlikely that agreement can be reached. Many of the differences will disappear if agreement on a few key topics can be reached. Additionally the Japanese may place great store in arriving at an agreement “on their watch”. Worst of all could be a rush to a decision to satisfy the great number of Ministers likely to attend at least some part of the meeting in Japan.

What is known that there is a political will to allow the biodiverse rich southern hemisphere countries to charge for their biodiversity and hence promote the transfer of money and or technology for their benefit.

It is probably a case of when, not if, an agreement is reached in this highly complex and convoluted area of international policy. OATA is working with the European Pet Organisation are monitoring developments.

ISSUES TO LOOK OUT FOR OR THAT REQUIRE ATTENTION OVER THE NEXT YEAR

EUS – Epizootic Ulcerative Syndrome	Fish susceptible to this disease including (for the first time) tropical species will have to come from disease free sources from January 1 st 2011
KHV- Koi Herpes Virus	<p>DEFRA will decide which zone status they will declare for this disease which will have massive affects on where koi may be imported from.</p> <p>Up to 7 zones will be created within the UK+ Southern Ireland. Movements between zones may be severely curtailed.</p>
Revised import health certificates	Just to make life more difficult the already confusing certificates will be revised
Access and Benefit Sharing (ABS)	The conditions under which all our live animals could be in from a big shake up. 180 countries will meet in Japan during October 2010 to hammer out an agreement.
Increasing scrutiny of the plants and animals we sell	Invasive species is an increasingly pervasive issue. The range of species our industry sells is under constant increasing scrutiny. Pressure could come from a variety of legislative reviews.
AQUA 2010	A specialist aquatic trade show organised by the trade for the trade October 6-7 th 2010 at the International Centre, Telford.

AQUA 2010

AQUA 2010 will be a trade show staged by the trade, in association with OATA, for the trade. Run on a not for profit basis with any surplus ploughed back for the benefit of aquatics and water gardening.

AQUA 2010 will be held on the 6 & 7th October 2010 at the International Centre, Telford. With good motorway connections and over 1,200 hotel beds available locally the Centre is ideally suited to holding a show of this size.

There will be plenty of time and opportunity to do business on the stands of the many companies who have expressed an intention to attend, network over free refreshments or at the gala dinner. There will be many different and new features that will make this show stand out from any held before. It will provide a relaxed atmosphere ideal for business or catching up with old friends. We hope we will see you there.





Computer Communication

- ❖ Don't forget that all members have access to information by log-in on the OATA's website : www.ornamentalfish.org
If you don't have your log-in please contact the office as more and more information will be put under the members' secure area.



- ❖ If you have your own web address, the link could be put on OATA's website. Please contact the office if you are interested.



- ❖ In order for you to receive information faster than by post, tell the office your email address and we will email you with the OATA's updates. Please let the office know as soon as you change your email address.

