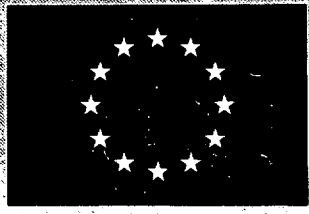


EUROPEAN
FILE



The common fisheries policy

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With overall production of fisheries products running at about 7 000 000 tonnes annually, the European Community is the fourth largest member of this sector in the world. The acceptance of fish amongst consumers has been increasing constantly since the Second World War. Fisheries policy now affects all European consumers. It also concerns a large number of workers: the European Community has some 300 000 fishermen, and a job at sea generates other jobs on land, as well as other income associated with fisheries activities. The communities concerned live in coastal areas and the local economy is often highly dependent on this sector, which is now having to face up to the depletion of marine resources caused by over-fishing.¹

- In view of the importance of the fisheries sector, the Treaty of Rome back in 1957 envisaged the development of a common European fisheries policy as part of the common agricultural policy.
- However, no preliminary decisions were taken by the Community's Council of Ministers until 1970. As the European Treaties forbid discrimination between Community citizens on grounds of nationality, these decisions embodied the principle of free access to Community fisheries. A common market organization for fish, including price support mechanisms and measures to protect the Community market, was created with a view to the rational development of the fisheries sector, ensuring a fair standard of living for the producers, stabilizing markets and guaranteeing supplies to consumers at reasonable prices. Finally, to modernize the sector and ensure equal terms of competition within it, the Community was charged with the task of coordinating the structural policies of Member States and supplementing them with financial interventions of its own.
- In 1983 'Blue Europe' made a new start when the Council adopted a series of measures aimed at conserving fish stocks. This new start had become necessary because of fundamental changes in the circumstances of the fishing industry. When a number of Atlantic countries decided in the early 1970s to extend their exclusive fishing zones to 200 nautical miles (about 370 km), the Community countries resolved to act in unison and in 1977 applied similar measures to protect their Atlantic waters. In view of the geopolitical situation prevailing in the Mediterranean, no corresponding action has as yet been taken in that area.

The fishing zones had to be extended in this way in order to prevent those non-Community fleets which had been denied access to the exclusive fishing zones of non-Community countries from switching their activities into Community waters, which would have had disastrous effects on the fish stocks which thrive there and on the Community fleet.

There are two consequences of this extension:

- first, the Community was obliged to accept responsibility for the management of the fish stocks in this enlarged zone. A very lengthy process of negotiations started, with the aim of adopting a policy for the conservation of resources; this process did not end until January 1983;

¹ Manuscript completed in January 1991. This document replaces our No 10/86.

- second, the Community was obliged to negotiate bilateral agreements with non-Community countries who wished to continue their fishing activities in Community waters or in whose waters the Community fleet wished to continue fishing.
- The accession of Spain and Portugal in 1986 doubled the number of fishermen, increased the tonnage of the Community fishing fleet by about 50%, and doubled the average per capita consumption of fish in the Community (from 14 to 27 kg per annum). Given this fundamental change in the nature of the problem, those who negotiated the Act of Accession were faced with two main challenges: to preserve the achievements of the Community to date, and to ensure the harmonious integration of Spain and Portugal into the common fisheries policy, without upsetting existing balances. All the same, 'Blue Europe' still has to find a new sense of unity in the face of the greater variety in fishing techniques and traditions within the Community.

The cost of the common fisheries policy is relatively low. Although the Community funds allocated to it may have increased from ECU 190 000 000 in 1986 to ECU 450 000 000 in 1990,¹ this still accounts for only about 0.9% of the Community budget. This policy relates to four main areas: access to waters and the conservation and management of stocks; organization of the market; structural changes and research, and international relations.

Access to waters and conservation and management of stocks

- The principle of non-discrimination between Community citizens on the grounds of nationality, enshrined in the Treaty of Rome, is normally taken to denote free access to all Community waters by all Community fishermen. A first exception to this principle was made in conjunction with the negotiations for the accession of Denmark, Ireland and the United Kingdom into the Community in 1973. This exception was confirmed in 1983 for a term of 20 years, with the possibility of a review at the end of 10 years, and allows Member States to reserve a fishing zone of up to 12 miles for vessels traditionally fishing these waters and operating from ports situated in the coastal region concerned. The subsequent accession of Spain and Portugal to the Community led to the introduction of a temporary arrangement regulating the reciprocal rights of the new and old Member States. These arrangements permit mutual access to a number of fishing zones, while imposing limits on allowable catches and on the number of vessels allowed to operate at any one time. These arrangements may be modified, if necessary, after 1996.
- The Community has introduced measures for the conservation and management of stocks in the Atlantic Ocean and adjacent seas (North Sea, Irish Sea and Western Baltic). These arrangements take account of the scientific assessments of the available resources which are undertaken every year by the

¹ ECU 1 (European currency unit) = about UKL 0.71, IRL 0.77 and USD 1.37 (at exchange rates current on 31 January 1991).

International Council for the Exploration of the Sea (ICES), which the Commission attends as an observer, and the Scientific and Technical Fisheries Committee, which is made up of experts from the Member States. The Community measures include:

- fixing the total allowable catches (TACs). These are agreed annually by the Council for the main species in Community waters. The TACs, which number more than 100, are divided up into catch quotas between the Member States. These quotas, which were fixed for the first time in 1983, are based on the following criteria: traditional fisheries, the special needs of those regions which are most dependent on fishing, and the loss of catches in the waters of non-Community countries due to the extension by them of their own coastal limits. Since 1983 each Member State has in principle been allocated a fixed percentage for each stock, with the aim of ensuring relative stability of fishing activities;
- technical conservation measures intended to protect young fish, mainly by stipulating minimum mesh sizes for nets, minimum sizes of landed fish and the levels of by-catches, and by restricting fishing activities in certain zones;
- various inspection and monitoring measures. Community fishermen are required to adhere to quotas and to apply conservation measures. Depending on the size of the vessel, they are also required to keep a Community log book and a landing record in respect of all catches which are subject to TACs or to quotas; a copy of the record must be forwarded to the authorities in the Member State where the catch is landed. Member States are required to monitor fishing activities in their ports and fishing zones, and in particular that fishermen observe all Community rules and regulations. Any infringements are to be punished by penal or administrative sanctions. Member States must also record details of landed catches and make monthly returns to the Commission;
- the Commission may, in order to satisfy itself that the Member States are meeting their Community inspection responsibilities, participate in the inspection and supervision performed by national governments. The Commission has a team of about 20 inspectors at its disposal for this purpose. Any Member State found to be infringing its obligations may be brought before the Court of Justice of the European Communities. At international level, the Commission's inspectors are involved in an independent capacity in the common international fisheries inspection programme of the North-West Atlantic Fisheries Organization (NAFO zone, international waters off Canada); their powers of inspection extend to all vessels registered in the signatory States to the NAFO Convention. In 1989, inspection missions in Member States' waters and the NAFO zone accounted for 1 864 inspector-days;
- the Community provides a financial contribution towards the inspection costs of the Member States. The budget provides for ECU 22 000 000 to be spent each year until 1995, which will also enable, for example, inspection vessels to be bought.

All these measures are applicable only to the waters of the Atlantic Ocean and adjacent seas. Other measures are under preparation for the management of

resources in the Mediterranean. Despite there being no extended fishing zones in this region, where unrestricted international waters start immediately after the 6-12 miles of territorial waters under national control, the threat to certain stocks is no less than that in northern waters.

The organization of markets

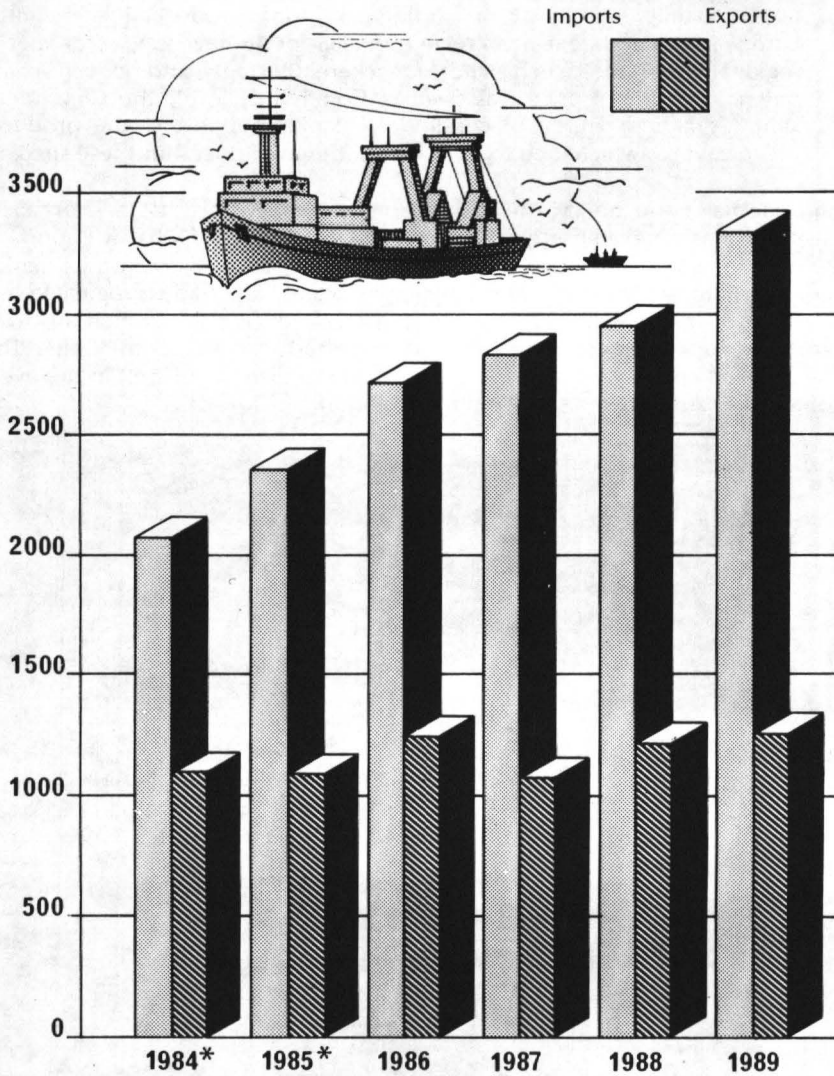
The common organization of markets for fish was introduced in 1970 in order to stabilize producers' incomes and guarantee an adequate supply of high-quality fish and has since been revised four times; it was extended to include Spain and Portugal early in 1986. Its main provisions are:

- marketing standards: the fish and crustaceans covered must meet certain quality specifications (size, weight, freshness, etc.), which have been subject to increasingly strict inspection over the years and have recently been extended to include canned sardines. Nevertheless, the free movement of fishery products throughout the Community still comes up against variations in national public health legislation. The Commission has accordingly placed before the Council a number of proposals for regulations laying down the physical and health conditions for the production, processing and sale of seafoods, in order to guarantee uniform health regulations for these products, with a view to the single market and the dismantling of border controls after 1992;
- producer organizations: the Community provides support, mainly in the form of start-up aid, for producer organizations whose members undertake to apply common rules in the area of production, marketing, etc. Almost 150 such organizations now cover about 60% of Community fish production; they play a key role in the application of the price system;
- the price system:
 - before the start of each fishing season, the Council fixes guide prices for most species on the basis of existing market prices on the one hand and on the prospects for supply and demand, for fishermen's earnings and for the interests of consumers on the other. These theoretical prices then serve as the basis for setting Community withdrawal prices, at between 70 and 90% of the guide price, which serve as minimum prices beyond which production is withdrawn from sale;
 - if they so wish, the producer organizations may set their own withdrawal prices under certain conditions. Nevertheless, practically all apply the Community price structure;
 - under certain conditions, fishermen are compensated for catches withdrawn from the market. For some species, this compensation is partially financed by the Community, according to set rules; no aid is payable to individuals, however, but only grants to the producer organizations for them to redistribute. The co-responsibility of fishermen for financing these market support measures is intended to encourage them to match their

catch sizes to demand. Payments are made to the producer organizations, and there is also a Community support mechanism by which the level of compensation decreases as the quantities withdrawn from the market increase. The introduction of this rule caused withdrawals to fall from 150 000 to 50 000 tonnes between 1980 and 1988;

- in an effort to keep the destruction of withdrawn catches limited, storage subsidies are paid for certain products. Other special measures have been taken, mainly in respect of sardine and tuna producers. A common European price system was created in 1988 for 16 new species of special regional importance, such as horse mackerel (Portugal) and bogue (Spain), but no withdrawal price was fixed at Community level; the Community simply grants a degree of conditional blanket support to the producer organizations, which then fix their own withdrawal prices for these species;
- an external trade policy: the Community on the whole has a shortfall in seafoods; as a net importer, it exports only one-third of what it imports in terms of volume, and non-Community countries sell a volume on its market equivalent to half the landings in its Member States. This trade is regulated by a number of instruments. These include the reference prices which are fixed annually for the majority of products imported into the Community. This mechanism enables measures to be taken to stabilize the market in the event of a crisis caused by massive imports at abnormally low prices.

Trade in fish between the European Community and the rest of the world (1 000 tonnes)



* Includes Spain and Portugal, which did not join the Community until 1986.

Source: Eurostat.

Structural programmes and research

The depletion of catch potential and the development of new fishing techniques have caused the Community to embark on a policy of restructuring the existing fleet, which contains considerable surplus capacity, and to offset this by developing new activities. With this in mind, the Commission:

- reviews proposed national aid schemes for the construction or modernization of vessels, ensuring that these do not lead to distortion of competition or an increase in capacity;
- monitors observance by Member States of multi-annual guidance programmes which spell out the restructuring to be implemented by each of them. Thus, for the period 1987-91, the Member States have undertaken to reduce their fleet by 3% in terms of tonnage and by 2% in terms of engine power. In order to facilitate the evaluation of the results, the Commission has created a Community database which centralizes the registrations of vessels operating under the flag of Member States;
- is co-financing, to the tune of ECU 800 000 000 for the period 1987-91, investments intended to:
 - adjust capacities (outright reductions — scrapping grants — or temporary reductions in activities);
 - update the fleet (construction of fishing vessels), provided that the Member State concerned has observed its multi-year guidance programme;
 - modernize the fleet, provided that there is no increase in overall tonnage or engine power;
 - develop experimental fisheries in Community and non-Community waters;
 - develop aquaculture, giving priority to the establishment of hatcheries in association with the Member States, who operate in this area also on the basis of multi-year programmes;
 - improve the shore-based infrastructure for fishing activities (port facilities), provide market research reports and product promotion campaigns, and programmes implemented by Member States jointly with non-Community countries.
- is co-financing, to the tune of ECU 160 000 000 for the period 1990-93, projects intended to improve the processing and marketing of fisheries and aquaculture products. This scheme is part of the programme to reform the European structural Funds in anticipation of the single market in 1993. Priority is given to the less-favoured regions and to the most innovative projects.

The fisheries sector is also benefiting from other Community instruments. For instance, the Community's structural Funds are being used in the least developed regions to support numerous programmes which take particular account of

fisheries and the areas which are dependent on them, including vocational training and regional development schemes. Apart from these sources of finance, the sector also benefits from loans from the European Investment Bank, which finances the provision of harbour facilities and coastal installations in particular, and from production or infrastructure projects which contribute to regional development and to the improvement or the structural adaptation of fishing and processing activities.

The actions of the Community also have a scientific and technological research basis.

- Since 1987 the Community has been operating a research programme in the fisheries and aquaculture sector, supported by a budget of ECU 30 000 000 in the period 1988-92. These appropriations are used for specific research projects and for the coordination of national programmes. They cover four main areas: the management of fishing activities, aquaculture, product processing, and fishing methods.
- The Community has recently added the MAST programme, which focuses on oceanographic research, the study of coastal regions and the development of new methods for the exploration, protection and exploitation of marine resources. This programme has funding amounting to ECU 50 000 000 for the period 1989-92.

International relations

The Community has had exclusive competence since 1976 for international affairs in the fisheries sector. The Commission has negotiated agreements enabling traditional fisheries to be maintained or new fisheries to be established to the benefit of Community vessels.

- The Community has concluded reciprocal agreements with non-Community countries (Norway, Sweden, the Faroes) under which fishing rights are granted to the vessels of those countries in return for similar rights for Community vessels in those countries' waters.
- The Community has concluded two agreements in North America. The agreement with the United States covers the surplus stocks which are not fished by American vessels, although it offers very few fishing opportunities to the Europeans at the present time. An agreement has been signed with Canada, although Community vessels are not permitted to fish in Canadian waters for the present.
- The Community has entered into agreements of a third type with developing countries, such as Angola, Cape Verde, the Comoro Islands, Côte d'Ivoire, Gambia, Guinea, Guinea-Bissau, Equatorial Guinea, Madagascar, Morocco, Mauritius, Mauritania, Mozambique, Sao Tome and Principe, Senegal, the Seychelles, Sierra Leone and Tanzania. In exchange for fishing rights, the Community pays these countries financial compensation, contributions to scientific programmes, and study grants, etc. An agreement providing for financial compensation was also entered into with Greenland following its withdrawal from the Community in 1985.

- The Commission is at present negotiating, or plans to negotiate, with a number of countries in Eastern Europe, Latin America, Africa and Asia, with a view to entering into new fisheries agreements.

As concerns the waters outside the fishing zones of the coastal countries, a whole series of international organizations has been created in an effort to regulate the management and the conservation of the stocks in the Atlantic, the Mediterranean, the Indian Ocean, etc. The Community, represented by the Commission, is a full member of some of these organizations; in other cases it attends in the capacity of an observer.

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Commission of the European Communities

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Directorate-General X
Audiovisual, Information, Communication and Culture
Rue de la Loi 200 — B-1049 Brussels

□

Office in Ireland 39 Molesworth Street, Dublin 2 — Tel. 71 22 44

□

Office in England 8 Storey's Gate, London SW1P 3AT — Tel. 222 81 22
Office in Wales 4 Cathedral Road, Cardiff CF1 9SG — Tel. 37 16 31
Office in Scotland 7 Alva Street, Edinburgh EH2 4PH — Tel. 225 20 58
Office in Northern Ireland Windsor House, 9/15 Bedford Street,
Belfast BT2 7EG — Tel. 24 07 08

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**Information services
in the USA** 2100 M Street, NW, Suite 707,
Washington DC 20037 - USA — Tel. (202) 862-9500
305 East 47th Street, 1 Dag Hammarskjöld Plaza,
New York, NY 10017 - USA — Tel. (212) 371-3804

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