

# The common fisheries policy

## European File

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‘Blue Europe’ came of age on 25 January 1983, when arrangements were adopted for the management of fishing activity in Community waters. Nearly three years later, on 1 January 1986, the accession of Spain and Portugal to the European Community meant the extension to those countries of the common fisheries policy.<sup>1</sup>

## Why a European policy?

To answer this question, one must go back to the years immediately following the 1939-45 war. Those were ‘golden years’ for the fishing industry in Europe. Fish stocks were abundant, having been scarcely exploited at all during the war years, and what had hitherto been considered poor man’s fare was much in demand, helping to alleviate food shortages. From that time on, fisheries products have established themselves as a food resource of some importance. The industry forms a vital part of the economy of some coastal regions.

Back in 1957, the Treaty of Rome envisaged the development of a common fisheries policy. A long gestation period was required, however, before ‘Blue Europe’ was born.

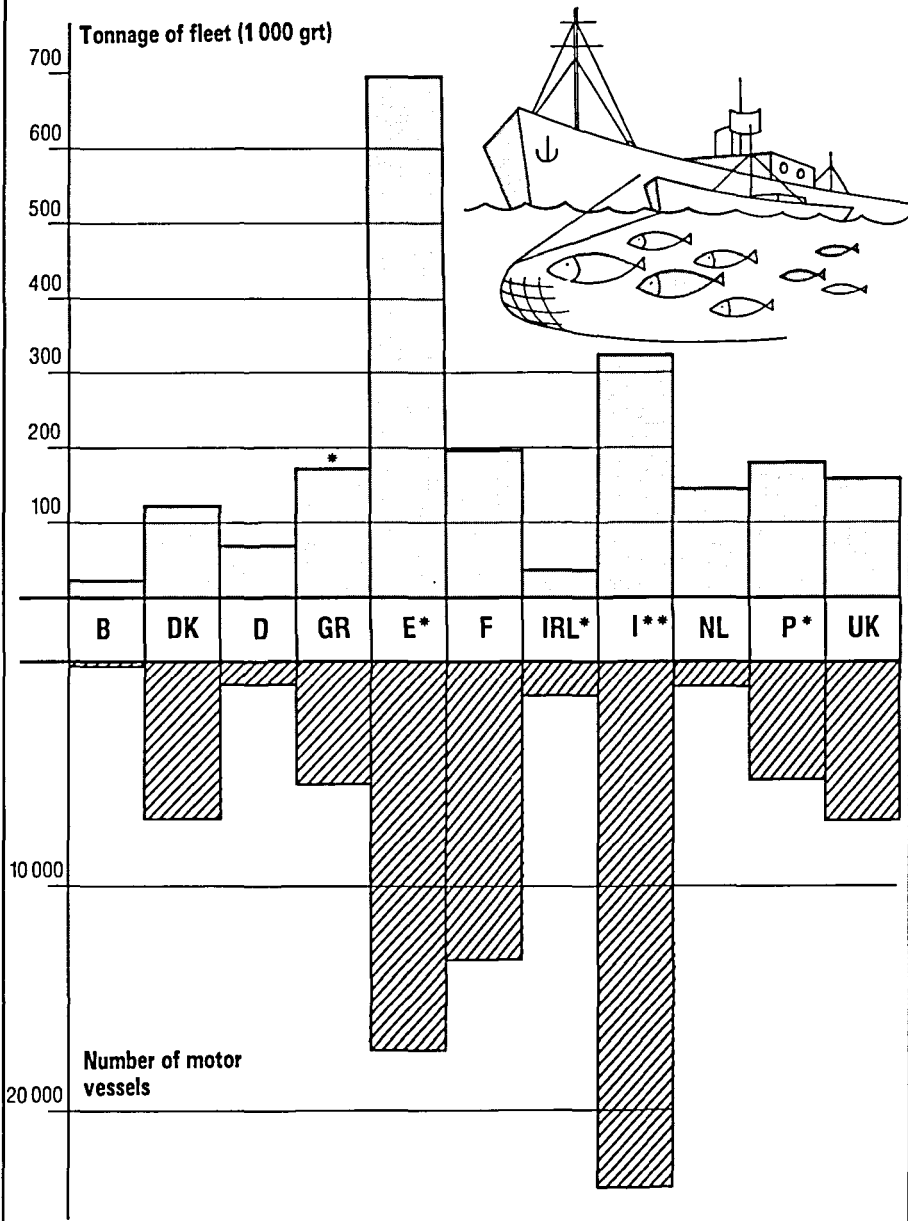
- The first decisions, covering three areas, were made by the Council of Ministers of the Community in 1970. As the European treaties forbid any national discrimination against Community citizens, the principle of free access to Community fisheries was asserted. A common market organization for fish was created, including price support mechanisms and measures to protect the Community market. Its purpose was to ensure a fair standard of living for those involved in the fishing industry, to stabilize markets and to guarantee supplies to consumers at reasonable prices. Finally, to modernize the sector and ensure equal terms of competition within it, the Community was given the task of coordinating the structural policies of Member States and supplementing them with financial intervention of its own.
- In 1983 ‘Blue Europe’ had to make a new beginning, because of fundamental changes in the circumstances of the fishing industry:
  - From 1975 a number of countries on the Atlantic coastline (Iceland, Norway and Canada principally) extended their exclusive fishing zones to 200 nautical miles (about 370 kilometres) from their coasts.<sup>2</sup> These limits were later to be endorsed by the new international Convention on the Law of the Sea. Without waiting for that, however, in 1977 the Community countries applied similar measures to protect their interests. They did this jointly, at

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<sup>1</sup> This file replaces our No 11/83.

<sup>2</sup> 1 nautical mile = 1.852 kilometres. Most commercial fish species inhabit the shallow continental shelf, which does not extend more than 200 miles from the Atlantic coastline. Beyond this limit there are hardly any commercially viable species, apart from large migratory fish, such as tuna.

# The fishing fleets of the European Community countries



\* 1983. \*\* 1982.

Source: European Commission, DG XIV.

Community level, because they judged the Community to be better placed to handle international negotiations and to manage, impartially and in the common interest, a vast tract of sea where waters and fish stocks alike are highly mobile.

- The extension of fishing limits was closely linked to the thinning out of fish stocks, which had been observed since the early 1970s. Each country wanted to enlarge its own 'preserve', to protect it and to manage it better. The problem was particularly acute for Europe, many of whose boats had been turned out of distant but well-stocked fishing grounds. This increased the competition for catches in Europe's own fishing zone, to which not all the boats were well suited. Technical progress, when not properly controlled, also increased the risk of overfishing. So it was that in recent years herring fishing had to be suspended in Community waters.
- The fishing industry had always had to cope with certain problems which stem from the nature of the industry itself: the wide variety of fish, fluctuations in catches, the perishable nature of the product, etc. Now, to guarantee stable and lasting employment for fishermen, the industry had to adapt to changed fishing grounds and to the constraints of biological conservation. The whole point of conservation is to ensure catches for the future. At the same time the fisheries sector had to cope with rising input costs and increased competition from imports from outside the Community. These imports sometimes had a competitive advantage, being able to benefit from the trend in marketing towards frozen or processed products, as well as from tariff reductions granted under various agreements with the Community.
- The accession of Spain and Portugal in 1986 doubled the number of fishermen in the Community (now about 260 000), and increased the tonnage of the fishing fleet by about 65% and total catches by nearly 30%. This is a new challenge for 'Blue Europe' and for the fishing industry, but one which it should be possible to meet, thanks to the precautions taken by those who negotiated the accession treaties. The negotiators' concern was twofold: to preserve what the Community had achieved to date, and to integrate Spain and Portugal smoothly into the common fisheries policy, without upsetting existing balances.

The common fisheries policy does not cost very much: the 1986 Community budget provides for only 160 million ECU<sup>1</sup> to be spent on it (about 0.5% of the total). It has four main spheres of operation: access and conservation and management of stocks; organization of the market; structural changes; international relations.

### **Access and the conservation and management of stocks**

The principle of equal treatment for Member States and their citizens, enshrined in the Treaty of Rome, is taken to mean free access to all Community waters for all Community fishermen. However:

<sup>1</sup> 1 ECU (European currency unit) = about £0.63 or Ir. £0.71 or US \$0.92 (at exchange rates current on 10 April 1986).

- An exception was made for Denmark, Ireland and the United Kingdom when they joined the Community in 1973, because of the size of their fishing interests. For 10 years, until 1 January 1983, Member States were allowed to reserve waters within 6 miles, and in some cases up to 12 miles, from their shores for their own fishermen. Access was to be allowed, however, to fishermen from other Member States who had traditionally fished in those zones and could thus claim 'historic rights' there.
- In 1977, after the extension of fishing limits in the Atlantic to 200 miles, the Community found itself suddenly in charge of a huge expanse of sea, in which competition among Member States' fishermen was intensifying. A heated debate began over the future of the protected coastal zones and the interests of inshore fishermen. Britain wanted permanent and exclusive rights for its fleet within 12 miles of its coast. Other Member States insisted on their 'historic rights'.

This argument was to create enormous difficulties for the establishment of the new common fisheries policy. The European Commission first tabled proposals in 1976, but it took until the beginning of 1983 to conclude an agreement based on the following principles:

- The Community fishing zone is open, in principle, to all Community fishermen. It extends 200 miles from the Atlantic and North Sea coasts.<sup>1</sup> Member States were allowed, however, to retain limits up to 12 miles from their shores, within which fishing was reserved for their own fleets and for boats from other member countries with traditional rights. In addition, beyond 12 miles, in an area north of the United Kingdom around the Orkney and Shetland Islands, fishing for potentially endangered species was made subject to a system of Community licences. The system limited fishing activity in the area to a set number of British, French, German and Belgian vessels. All these measures are to apply for 20 years, but can be reviewed after 10 years.
- Fish-stocks in the Atlantic (including the North Sea, the Irish Sea and the western Baltic) are to be conserved and managed by:
  - Fixing total allowable catches (TACs). These are to be agreed annually by the Council of Ministers for all species threatened by overfishing. They will be divided into catch quotas for each interested Member State. The allocation of quotas is intended to ensure relatively stable fishing opportunities for each country's fleet, based on the following criteria: traditional fishing patterns, the special needs of the regions most dependent on fishing, and fishing rights lost in non-Community waters due to the extension of coastal limits.
  - Conservation measures based on scientific advice, consisting mainly of limits on the fishing effort in certain zones, minimum mesh sizes for nets and, in

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<sup>1</sup> The principle of the 200-mile limit does not apply in the Mediterranean.

certain cases, minimum sizes for fish landed. National governments will not be prevented from applying extra conservation measures of their own, but such measures must not discriminate against other Member States. The European Commission will have to be informed of them, and will be able to ask for them to be modified or stopped.

- Various surveillance measures: obligatory logbooks, port inspections, aerial patrols, etc. The application of these measures has been made the responsibility of the Member States, under the supervision of the European Commission which has a team of inspectors for the purpose.

More recently, with the accession of Spain and Portugal to the Community, transition rules have been made, to govern the rights that new and old Member States must afford each other until 1996. These provide for mutual access to several fishing zones, the number of which will be reviewed by 1995. There are limits on the catches permitted and on the number of boats fishing in the zones at any one time. The Community's conservation measures are also to be observed straight away by Spanish and Portuguese fishermen in the Atlantic.

## **The organization of the market**

The common organization of the market for fish, introduced in 1970, was revised at the end of 1981. Its main provisions are:

- Marketing standards: fish and shellfish offered for sale must meet specifications for quality, size, weight, presentation and packing. Inspection has been stepped up over the years.
- Producer organizations: their members agree to apply common rules, principally on production and marketing. The organizations can avail themselves of 'starter aids' which are partially financed by the Community. They cannot gain a monopoly or dominant market position, but their rules can be extended to non-members, to prevent them from disrupting the market.
- A price system:
  - Before the start of each fishing season, the Community's Council of Ministers fixes 'guide prices' for the main species. These prices are based on existing market prices and on the prospects for supply and demand, for fishermen's earnings and for the interests of consumers. Community 'withdrawal prices' are also set, at between 70% and 90% of the guide price.
  - To stabilize prices, the organizations can themselves set rates below which they will not sell their members' catches. These rates can be set 10% either side of the Community withdrawal price, where one exists.

- Under certain conditions, fishermen are compensated for catches withdrawn from the market. For some species, this compensation is partially financed, according to set rules, by the European Agricultural Guidance and Guarantee Fund (EAGGF). However, the greater the proportion of the catch withdrawn from the market, the lower the rate of compensation. This is intended to put some of the responsibility on the fishermen, and encourage them to ensure their catches are in line with demand. In addition, conversion and storage subsidies are given for certain kinds of fish, to avoid catches having to be destroyed. There are also special arrangements for Mediterranean anchovy and sardine fishermen, salmon and lobster producers and certain tuna fishermen.
- An external trade policy: export of Community fish surpluses can be promoted by export refunds, which compensate for the difference between European and world prices. On the other hand, reference prices are established for abnormally low-priced imports of certain species and products. These prices are based on the Community guide, withdrawal and market prices; they enable countervailing charges to be levied on the imports, thus avoiding the need for quantitative limits. If European supplies are insufficient, customs duties on imports can be suspended, as is the case with tuna and cod.

The common market policy for fish was applied to Spain and Portugal from 1 January 1986, subject to certain transitional or adjustment arrangements to help those countries become integrated in the policy: market support for certain species of particular interest to the two new Member States; gradual alignment of anchovy and sardine prices; progressive abolition of customs duties, with a procedure for monitoring and controlling trade, during a transitional phase lasting generally for seven years.

### **Structural changes**

The particular features of the new fishing zones, the increasing scarcity of catches and the need to develop alternative forms of fishing activity, have led the Community to undertake a policy of restructuring and modernizing the fishing industry. This policy calls for a concerted effort by Member States and the Community. The Community studies national aid plans in order to avoid distortions of competition or any imprudent increase in capacity. It also co-finances investments to help European fishery undertakings to maintain or regain international competitiveness and to keep as much viable employment going as possible. In 1985 the European Commission paid out:

- About 6 million ECU for outright reduction of fishing capacity (through grants for every tonne of vessel scrapped) or temporary cessation of fishing.
- About 65 million ECU towards the construction and modernization of boats (with priority for replacement vessels and inshore fishing), as well as towards



aquaculture projects and the construction of artificial reefs to help restock inshore waters.

- About 3 million ECU for measures to reorient fishing activity. These include exploratory voyages in search of under-exploited species or new fishing grounds, and joint ventures by European trawler owners with nationals of non-Community countries, to exploit the fishery resources of those countries.
- About 25 million ECU to improve the processing and marketing of seafood products.

In addition, the European Social Fund supports national efforts to train fishermen or help them to qualify for alternative employment. The European Regional Development Fund (ERDF) and the European Investment Bank (EIB) give grants and loans for investments in infrastructure, such as harbours, processing installations, research centres, etc. In 1985 the EIB loaned a total of more than 15 million ECU for small and medium-sized investments to improve operating and marketing conditions in coastal areas eligible for regional aid. Community activity of this kind will increase in the coming years. The ERDF will devote 35 million ECU to the redevelopment of certain areas affected by the common fisheries policy. Furthermore, provision is made for the fisheries sector in the integrated Mediterranean programmes which the Community is starting in Greece and in the Mediterranean regions of Italy and France, to help them modernize and adapt to the new conditions of competition resulting from the accession of Spain and Portugal. At the same time, under the accession treaties the Community has undertaken to take due account of the state of the fishing industry in Spain and Portugal, and of its structural requirements.

Finally, in the field of scientific research, the European Commission has a proposal to coordinate national activities and initiate joint projects to study the management of stocks, fishing techniques, aquaculture and the processing and preserving of fish products. 27 million ECU would be allocated for these purposes between now and 1989.

## **International relations**

In 1976 Member States recognized the exclusive competence of the Community to handle international fisheries negotiations. Since then fishing agreements have been concluded with a number of third countries, the purpose being to allow Community boats to continue their traditional fishing activity or to seek access to new stocks. The European Commission has also increased its involvement in international organizations dealing with conservation and management of stocks in international waters.

Bilateral agreements:

- The Community has concluded reciprocal agreements with third countries (Norway, Sweden, the Faeroes) in which fishing rights are granted to third country boats in exchange for similar rights for Community boats in those countries' waters.
- The Community has signed two agreements with the countries of North America. In one, surplus stocks not fished by United States boats are shared out among third countries on the basis of their traditional fishing activities. The agreement with Canada allows Community boats to fish in Canadian waters, in return for tariff reductions on certain quantities of Canadian fish exports to the Community.
- Finally, the Community has negotiated a third type of agreement, with developing countries such as Guinea, Guinea-Bissau, Equatorial Guinea, Madagascar, Sao Tome and Principe, Senegal and the Seychelles. In exchange for fishing rights the Community gives these countries financial compensation, contributions to scientific programmes and study and training grants to benefit their fishery sector. An agreement providing for financial compensation has also been concluded with Greenland, after its withdrawal from the Community at the beginning of 1985.

These agreements are the subject of new negotiations, so that Spain and Portugal can benefit from them. Since Spain and Portugal became Member States, fishing agreements between them and third countries are looked after by the Community. They are being integrated into the Community's network of international fishing agreements.

- Multilateral relations: outside the 200-mile national economic zones, the sea is free. The Law of the Sea Convention has proclaimed it part of the heritage of all mankind. A whole range of international organizations has been set up to try to regulate the management and conservation of marine resources. The Community is a full member of some of these, which means that individual Member States do not belong to the organizations separately: the European Commission represents them. This applies to the Baltic Convention, the North West Atlantic and North East Atlantic Fisheries Organizations, the North Atlantic Convention on Salmon Conservation and the Convention on the Conservation of Living Resources in the Antarctic. A similar arrangement should soon apply for the International Convention on South East Atlantic Fisheries. Finally, the Community participates as an observer in the work of the International Whaling Commission, and of a number of fisheries committees of the Food and Agriculture Organization of the United Nations (FAO): the General Council of Mediterranean Fisheries, the Committees on East-Central and West-Central Atlantic Fisheries, etc. In the overall framework of its relations with the FAO, the Community is considering a change in its status on those committees

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