COMMISSION OF THE EUROPEAN COMMUNITIES

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REPORT 1991
FROM THE COMMISSION TO
THE COUNCIL
AND THE EUROPEAN PARLIAMENT
ON THE
COMMON FISHERIES POLICY

EXECUTIVE SUMMARY

The basic Regulation on the policy of management and conservation of fishery resources in Community waters (Council Regulation (EEC) No 170/83[1]) requires the Commission to present to the Council a report on the fisheries sector before 31 December 1991.

Although Article 8 of the Regulation confines the scope of the report to "the fisheries situation in the Community, the economic and social development of the coastal areas and the state of the stocks and their likely evolution" the Commission has taken the opportunity to make a broad and full review of the Common Fisheries Policy (CFP) as a whole, over the period 1983-90, and to map out the approach which it deems most appropriate to safeguard the future of the fishing industry and ancillary sectors in the next decade, and especially to prepare them for the post-2002 period when Community fishing grounds are scheduled to become freely accessible.

The report contains no formal proposals. Its purpose is to stimulate and provide guidance for a debate in the various Community institutions and other bodies so that, in 1992, the Commission will be in a position to present proposals for legislation laying down the "new rules of the game" for the entire fisheries sector for 1993-2002. This report is a direct follow-up to the Commission Communication to the Council and Parliament on the Common Fisheries Policy, adopted in November 1990 (SEC(90)2244), providing a more extensive analysis of the industry and proposing a series of guidelines for the next ten years.

1 OJ No L 24, 27.01.1983, p. 1.

THE FACTS: Overfishing and a latent sectoral crisis

Although the present state of affairs is not entirely due to the activities of the fishing industry there is a consensus of scientific and technical opinion that, in global terms, the stocks are in danger because of excessive fishing mortality, particularly in respect of juveniles. This broad assessment, however, is subject to qualification, case by case, according to individual species, fisheries and regions.

Stocks of round and flat fish, representing about 35% of stocks covered by TACs, are fully exploited or over-exploited. This is causing a perceptible decline in the volume of landings and keeping fishermen's incomes below the optimum level. Although demand for high-value species has been very sustained, thus delaying the adverse impact of the substantial drop in landings of traditional species and encouraging vessel redeployment and economic survival, the price elasticity of demand and available alternatives cannot maintain this situation indefinitely.

With regard to other sources of supply:

- aquaculture: the survival or expansion of some branches of production is dependent on the market situation and physical and environmental constraints;

- imports from non-Community countries: the Community's supply deficit is large and increasing.

Fishing is an economic activity which traditionally offers a poor return on capital. It is at present suffering from over-investment against increasing shortages of raw materials, resulting above all in excess fishing capacity. The situation is exacerbated by the fact that over-investment makes the "fishing race" even keener. In strict economic terms, therefore, the chronic over-capacity of the fishing fleet reduces the economic profitability of fishing enterprises. Furthermore, the private costs of fishing are lower than the social costs, because fishermen are not encouraged to take account of the cost of resource management, which is further amplified by stock depletion due to intensification of fishing effort.

The most modern fleets are engaged in fisheries where levels of activity must generally be reduced and job losses must be expected, the more rapidly as technological progress proceeds apace. Consequently, European fisheries

are in an extremely vulnerable position, both economically and socially, especially in terms of employment. The social situation is particularly worrying as the main impact of the sectoral crisis is felt in regions where fishing and fish farming are concentrated and play a major role in the maintenance of socio-economic life, creating a situation of close dependence in regions and/or areas where socio-economic alternatives are generally rare.

THE CONCLUSION: Present mechanisms are inadequate

When the CFP was adopted, and in particular the policy on resource management and conservation, the prevailing mentalities and ways of thinking were such as to rule out any other management tools or control instruments. However, the mechanisms offered the undeniable advantage of facilitating the share-out of fishing opportunities both within the Community and between it and the other fishing nations. Although the mechanisms and the closure of certain fisheries failed to avert the present situation they probably prevented the deterioration of the Community's fisheries.

The salient features of the present situation are:

- a resource management/conservation policy founded exclusively on the fixing of TACs and their allocation in the form of quotas, leading - in the absence of any real control over fishing capacity - to a race in terms of vessels and catches, with inevitable discards at sea;

- failure to take into account certain constraints such as the particular characteristics of multispecies fisheries;

- a complex resource management model requiring major surveillance and control mechanisms, which have been unable to ensure compliance with the rules given the inadequacy of coercive measures at Community level and the lack of political will;

- insufficient heed for economic parameters and too much emphasis on the biological approach to resource management;

- insufficient heed for social parameters and lack of a genuine social policy with instruments to organize the necessary restructuring (job losses, reconversion) while assuring the future of the industry (training);

- compartmentalization of CFP measures and lack of coherence between them, especially between the market mechanisms and structural policy, aggravated by failure to apply sanctions against illegal practices.

THE FUTURE: Regulation and limitation of access to resources

In the light of the foregoing the Commission is putting forward guidelines for the CFP for the period 1993-2002. Although they relate mainly to the resource management and conservation policy they also have a bearing on the other domains of the CFP.

The purpose of the CFP must be to ensure the sustainability of the fishing industry, which depends on balanced and rational exploitation of the living resources of the sea. This is a *sine qua non* condition of its economic viability. But rebalancing fishing effort against resources will involve socio-economic upheavals for which the Community must find solutions, especially in the case of social problems, in order to safeguard the pursuit of social and economic cohesion throughout the Community.

This must be achieved in two phases. The first involves the restoring of balance, particularly by appropriate management of fishing effort by the supervisory authorities and a system of regulation of access to resources. The second phase involves management of the balance regained, and here market forces can play a more leading role.

In the first phase, if the Community is to ensure the sustainability of the fishing industry and the very existence of certain communities dependent on it, which in their turn safeguard the socio-economic fabric of coastal and insular regions, it is essential, given the present imbalance between resources and fishing effort, to act promptly and swiftly in order to:

- reduce fishing effort, including fishing capacity, by a more constraining policy of structural planning, taking account of the various segments of the fleet;

- to minimize socio-economic upheaval by appropriate accompanying measures, taking account of the geographical concentration of fishing and fish-related activities.

It is therefore advocated that the various domains of the CFP in its present form be integrated and that the existing instruments be adjusted and reinforced to arrive at a system of overall management of inputs and outputs, within the framework of a coherent and binding programme, the objectives being as follows:

- distribution of responsibility at all levels, in accordance with the subsidiarity principle, conferring responsibility on the parties concerned, in particular the fishermen's organizations which could be given the task of implementing the management measures at the appropriate level;

- more stringent regulation of access to resources by a system of licenses to rationalize fishing effort (by zone, species, fisheries, etc.), cutting back excess capacity and improving the planning of fishing so as to reduce over-investment and economic inefficiency;

- a new classification of fishing activities (multiannual, multispecies, and analytical TACs, as appropriate), definitions being based on existing rights and the economic and social characteristics of each fishery;

- more stringent control mechanisms, using modern technologies for vessel location and communication of information, in order to monitor the movements of certain vessels and inform the authorities concerned, while coordinating the information obtained;

- enforcement of compliance with rules which are in the common interest, ideally through economic incentives encouraging good behaviour by fishermen (use of selective gear, compliance with landing standards), and deterrent sanctions at Community level (penalty quotas, withdrawal of licenses, withholding of aid, fines);

- stronger structural management, by segmentation of the fleet, on the basis of new parameters, providing a basis for the assessment and control of fishing effort, and inclusion of structural measures under the umbrella of the reform of the structural Funds;

- greater synergy between management of internal and external resources, other sources of supply and market management.

Pursuing the same approach, in connection with the three principles established by Regulation (EEC) No 170/83, it is suggested that the following be maintained:

- the principle of relative stability, subject to any adjustments made in response to changes occurring since the introduction of the allocation key, particularly in order to rationalize fisheries;

- derogation from the principle of freedom of access within the 12-mile limit;

- the present arrangement for the Shetland area, with the possible extension of the box arrangement to other regions, under present conditions, as an effective tool for regulating access to resources.

The Commission is convinced that the success of this policy depends entirely on the expression of a genuine political will so that, with the assurance of adequate financial resources and the cooperation of all involved, the fisheries sector will behave in a way consistent with the achievement of the European ideal.

CONTENTS

Part 2 : Guidelines for the common fisheries policy 1993-2002

INTRODUCTION

This report contains no formal proposals by the Commission
Its purpose is to provide guidance for the discussions to be held in forthcoming months in preparation for the adjustment of the common fisheries policy for the period 1993-2002, so as to improve the functioning of the policy and to adapt the fishing industry to the new conditions that will obtain from 1 January 2003 onwards

This report on the fisheries situation in the Community, the economic and social development of the coastal areas, the state of the stocks and their likely evolution has been prepared pursuant to Article 8 of Council Regulation (EEC) No 170/83 establishing a Community system for the conservation and management of fishery resources[1]. It is intended for presentation to the Council and Parliament.

Pursuant to Articles 4(2) and 8 of Regulation (EEC) No 170/83, the Council, acting in accordance with the procedure laid down in Article 43 of the EEC Treaty, may, on the basis of this report, effect adjustments to the allocation of resources among the Member States and to the arrangements referred to in Articles 6 and 7. Furthermore, Articles 162 and 350 of the Act of Accession of Spain and Portugal provide that another report on the situation and prospects with regard to fishing in the Community, in the light of the application of the accession arrangements, must be presented to the Council before 31 December 1992.

In terms of scope, in this report the Commission, while adhering to the broad lines laid down in Article 8 of Regulation (EEC) No 170/83, has also endeavoured to identify certain improvements that could be made to the Common Fisheries Policy (CFP) as a whole, which it finds lacks coherence with its immediate environment (economic, social, biological, industrial and commercial constraints) and with the other Community policies (regional, commercial, development, social, environmental, etc.).

The report seeks to identify the fundamental problems facing the fishing industry, taking into account the new context created by:

- the withdrawal of Greenland from the Communities;
- the accession of Spain and Portugal;
- German unification;
- the establishment of the single market;
- the establishment of the new European Economic Area.

1 OJ No L 24, 27.1.1983, p. 1.

This report and the debate it will engender in the various Community fora in the early months of 1992 provide a unique opportunity for giving a more global and coherent character to the CFP, in accordance with the objectives laid down in Article 39 of the Treaty and certain provisions of the Single Act, particularly with regard to the principle of economic and social cohesion.

The report has been drafted with due regard for the comments made in the Community institutions and other bodies in response to the Communication to the Council and Parliament on the Common Fisheries Policy (SEC(90)2244 final) presented by the Commission on 30 November 1990. The Commission also consulted the national administrations and professional organizations representative of the fishing industry, and developed other contacts, particularly with the press[2].

The report falls into two parts:

Part 1: Fisheries in the Community during the period 1983-1990

The purpose is to provide an update of the situation without repeating the detailed diagnoses already made elsewhere, as in the abovementioned Communication. Attention is focused on the three aspects specified in Article 8 of Regulation (EEC) No 170/83, namely the situation of the industry, the state of the stocks and the economic and social development of the coastal regions.

Part 2: Guidelines for the common fisheries policy in the period 1993-2002

This traces out the path to be followed and the means to be deployed in the next ten years in order to arrive at a situation compatible with the conditions forecast for the post-2002 period.

The Commission invites the Council to approve the report

2 See Annex I.

PART 1: FISHERIES IN THE COMMUNITY DURING THE PERIOD 1983-1990

1. Rights and obligations attaching to the exploitation of the living resources of the sea

1.1 International and Community legal context[3]

In terms of international law one of the changes has been the extension of the fishing zones of the coastal states to 200 nautical miles. This induced the Community states to apply a similar zone in the North Atlantic from 1 January 1977[4].

The Community must take close account of possible developments in the law of the sea, especially concerning the management of stocks in the open sea and straddling stocks. It must also bear in mind the behaviour of certain states and any legal, economic or social consequences such behaviour might entail.

The Common Fisheries Policy came into being as a result of the transfer of power from the Member States to the Community for matters relating to fisheries. The policy is founded on Article 39 of the Treaty setting out the aims of the Common Agricultural Policy (CAP), which, by virtue of Article 38, also apply to the CFP.

The Community has exercised its powers in the following areas:

- market organization, the first component of the CFP set in place by the Council in 1970, based on the same principles and presenting many similarities with the CAP;

- structural policy, also in place since 1970, with the objective of rational development of the fishing industry to ensure a fair standard of living for fishermen;

- conservation and management of resources, involving - in the interests of fishermen and consumers alike - rules on the use and allocation of resources, technical conservation measures, special measures for inshore fishing and supervisory measures;

- relations with non-Community countries and international organizations. Fishing agreements with non-Community countries have enabled the essential interests of the Community and its Member States to be safeguarded, restored or developed in the waters of non-Community countries and certain international waters covered by international organizations.

3 For details see Annex II.

4 In the Mediterranean (see map in Annex III) no coastal state has applied a 200-mile EEZ for geopolitical reasons associated with the specific characteristics of the basin. But they have all delimited territorial waters extending between 6 and 12 nautical miles from the baselines, except Syria which has delimited its territorial waters at 35 nautical miles. No coastal states have defined fisheries jurisdiction zones except Malta which has defined a fishing zone of 25 nautical miles.

The establishment of the CFP represented a political effort by the Community to come to terms with the major upheavals which affected seafaring, and especially fishing, in the nineteen-seventies.

On the question of the Mediterranean, in its consultation paper on guidelines for a common fisheries system in the Mediterranean (SEC(90)1136) released in July 1990 the Commission concluded that a common system was essential in order to prevent the deterioration of stocks, and that it should be based on two guiding principles: first, a common system of management and conservation of fisheries resources in waters under the fisheries jurisdiction of the coastal Member States, and, second, the elaboration of a global policy of cooperation between the Mediterranean coastal states and the countries operating distant-water vessels in the Mediterranean waters, in order to conserve and manage all the resources of the area in a rational manner.

The areas in which the Community should intervene are as follows:

- harmonization of national laws
- extension of fisheries jurisdiction beyond territorial waters
- coordination of research
- establishment of a model for resource management and conservation
- monitoring of fishing effort
- management of fishing activities by professional organizations
- specific rules for specialized fisheries (sponges, coral, sea urchins).

On 20 November 1990 the Council delivered a favourable opinion on this consultation paper and instructed the Commission to continue its work in the area, with particular emphasis on the following:

- a comparative study of national laws
- implementation of quantitative and qualitative research on stocks
- implementation of a study of the problems of certain specialized fisheries.

The Council also asked the Commission to set up a working party composed of representatives of the Member States concerned to try and resolve certain local conflicts. This arrangement helped to prevent repetition of the conflicts over anchovy fishing in the Gulf of Lyons. On a more general level the Commission intends to associate representatives of the Mediterranean fishing industry as closely as possible with its work in order to ensure that any harmonization efforts have the support of the affected populations. In line with this intention a working party was set up in the Advisory Committee on Fisheries. In addition to the considerable volume of work entailed in collecting and analysing some 400 legal texts on fisheries sent in by the four Member States concerned, the Commission has already made preliminary contact with certain non-Community countries in the Mediterranean area in order to create a political climate favourable to

the introduction of coherent arrangements for the Mediterranean as a whole.

Budgetary resources are to be allocated for specific measures in the Mediterranean, mainly the financing of pilot projects and studies to provide a fuller understanding of fishing in the area.

1.2 Management of resources

1.2.1 Equality of access

As the Treaties prohibit all forms of discrimination between Community nationals on grounds of nationality the Council's decisions setting up a common fisheries policy in the seventies established the principle of freedom of access to the Community's fishing zones.

Derogations were gradually introduced from 1973 onwards.

- In 1973 the Treaty of Accession of the United Kingdom, Ireland and Denmark contained specific provisions on the fishing industry, relating to fishing rights in coastal zones over the next ten years. Under these transitional arrangements derogating from the principle of free access, the Member States concerned were authorized to reserve fishing within the 6-mile zone, 12 miles in certain areas, for vessels which had traditionally fished the said waters from ports in the geographically adjacent areas.

- In January 1983 under Regulation (EEC) No 170/83 the Council adopted a package of rules on conservation and management of resources.

Articles 6 and 7 of Regulation (EEC) No 170/83 provide for certain derogations from the principle of equal access to waters.

Article 6 establishes a derogation by extending the 6-mile limit to 12 nautical miles, for a period of 20 years (until 31 December 2002). As this arrangement then expires, any subsequent provisions must be decided by the Council in accordance with Article 8(3) of the same Regulation. This safeguard provision was adopted in order to protect the traditional activities of coastal fishermen, given that large segments of the Community fleet faced the risk of reduced fishing opportunities due to the application of 200-mile limits by the non-Community countries.

Reservation of the coastal band for fishermen from adjacent coastal areas not only helps to ensure that fishing remains a component of the socio-economic fabric of the regions concerned but also increases the degree of responsibility and safeguards certain local and regional fisheries.

Article 7 establishes a system for limiting fishing effort in the Shetland and Orkney regions. Fishing is subject to a licensing system managed by the Commission for species defined as "biologically sensitive because of their exploitation characteristics".

In 1986 the Act of Accession of Spain and Portugal introduced specific arrangements for a limited period involving reciprocal rights for the existing and acceding Member States.

The provisions ensure access to several fishing zones subject to certain restrictions on access, authorized catches and the number of vessels allowed to operate simultaneously.

The arrangements laid down in the Act of Accession of Spain and Portugal will cease to be effective on 31 December 2002. Articles 166 and 353 provide that the rules apply until the expiry of the period referred to in Article 8(3) of Regulation (EEC) No 170/83 unless the Council adopts any changes before 31 December 1993 (with effect from 1 January 1996). Furthermore, the access restriction laid down in Article 158 (Irish Box) will cease to apply from 1 January 1996. Consequently, the Community will be faced with new conditions, especially as regards the access of the Spanish and Portuguese fleets to Community waters in general.

1.2.2 Fixing of TACs and allocation of national quotas

When the basic rules on conservation and management of resources were drawn up in January 1983 the Community authorities based themselves on the principles of the new law of the sea.

Regulation (EEC) No 170/83 lays down the broad lines of a method for managing fishing effort, based largely on catch limitation. This involves fixing total allowable catches (TACs) and sharing them out between the Member States in the form of national quotas.

1.2.2.1 Scientific advice

The TACs are fixed in the light of available scientific advice. In the case of stocks in waters of the Community and neighbouring countries, the Community share is determined on the basis of agreements and arrangements with the non-Community countries concerned.

In the case of fish stocks in international waters, it is one of the international obligations of the Community to contribute to the effort of stock conservation.

1.2.2.2 Breakdown of TACs into national quotas

1.2.2.2.1 The criteria

The TACs are shared between the Member States in accordance with the criteria approved by the Council in May 1980[5] and mentioned in the Regulation fixing the TACs for 1982. It is specified that for "a fair allocation of available resources, particular account must be taken of traditional fishing activities, the specific needs of areas particularly dependent on fishing and dependent industries and the loss of fishing potential in the waters of third countries"[6].

Briefly, the allocation key was based on three considerations, as set out below.

TRADITIONAL FISHING PATTERNS

Evaluation of the level of activity of traditional fisheries takes account, for each stock, of the average catches taken by each Member State in the reference period 1973-78. In the case of stocks which are caught for human consumption, the average has been calculated by deducting the catches intended for reduction to meal.

SPECIFIC NEEDS OF REGIONS ESPECIALLY DEPENDENT ON FISHING (THE HAGUE PREFERENCES)

The Hague preferences result from Annex VII to the Council Resolution of 3 November 1976 in which the Council recognized that there were regions in the Community whose local populations were particularly dependent on fishing and ancillary industries. The relevant regions are Greenland[7], Ireland, the northern parts of the United Kingdom (Northern Ireland, Isle of Man, Scotland and the north-east coast between Bridlington and Berwick).

In order to implement the resolution adopted at The Hague and the Council's declaration of 30 May 1980, the Commission had to institute the concept of "vital needs" for the regions concerned. For the United Kingdom, the Commission proposed, for each stock subject to a TAC, a quantity corresponding to the landings in 1975 of vessels under 24m in ports situated in the regions mentioned in the Hague resolution. For Ireland, the proposed quantities corresponded to twice the volume of landings in 1975. In some cases the quantities proposed on the basis of these preferences gave rise to a debate which did not always lead to unanimity. Whenever the problem has arisen in practice interim solutions have been adopted by the Council.

5 Council statement on 30 May 1980 on the common fisheries policy - OJ No C 158, 27.6.1980, p. 2.
6 Fourth recital of Regulation (EEC) No 172/83 of 25 January 1983 - OJ No L 24, 27.1.1983.

7 Until its withdrawal from the Community in 1985.

LOSS OF FISHING OPPORTUNITIES IN THIRD-COUNTRY WATERS

The volume of lost opportunities was defined on the basis of the effective catch opportunities of the Member State in relation to its average potential catches in the reference period 1973-76 if exclusive economic zones had not been introduced by the third countries concerned.

1.2.2.2.2 Principle of relative stability

At the time of the first share-out of fishing opportunities under the TACs the principle of relative stability ensured a global balance between the fleets. When the basic Regulation was adopted this approach was regarded as one of the elements "which form a rational basis for programming production activities so as to ensure reasonable security for communities dependent on fishing"[8]. A clear distinction must be made between the principle of relative stability and the method agreed on (quantitative reference data) for its application[9].

The principle of relative stability, the effect of which is to maintain a fixed percentage per stock for each Member State, was established by Regulation (EEC) No 170/83. It is general in scope and applies to the share-out, in the form of national quotas, of all the fishing opportunities available to the Community.

The method agreed on, i.e. quantitative reference data, for applying the principle of relative stability has been defined in a series of Council regulations.

Naturally, the initial balance, resulting from the 1983 allocation (reference), may have to be adjusted because of changes in biological, economic and political factors. It is for the Community legislator to evaluate how far the 1983 allocation must be maintained in order to arrive at a solution which:

- is fair and non-discriminatory
- contributes to relative stability of fishing of the stocks concerned.

Of course, the allocation in 1983 concerned only ten Member States[10]. Spain and Portugal challenged certain aspects of the application of the principle of relative stability and appealed to the Court of Justice. The cases are at present awaiting judgment.

8 Amended proposal for a Council Regulation (EEC) establishing a Community system for the conservation and management of fishery resources (presented by the Commission to the Council) - COM(82) 368 final, 11 June 1982.

9 See Annex IV.

10 German unification in 1990 did not affect the fishing opportunities of the other Member States.

1.2.2.2.3 Quota hopping

Some Member States felt that the practice of quota hopping, consisting in the transfer of fishing vessels from one Member State to the flag of another Member State in order to use the latter's fishing quotas, prevented them from deriving full economic benefit from their quotas. Certain of them therefore made access to their quotas subject to certain restrictions. The Court has admitted that the present system of national quotas enables Member States to lay down conditions to ensure that the vessel has a genuine economic link with the State concerned, provided that the said link is limited to the fishing activities of the vessel and the communities and industries dependent on fishing. Member States may not impose restrictive conditions relating to the nationality or place of residence of the vessel's crew, the option of landing the vessel's catches in a country other than the flag State or the vessel's freedom to engage in normal fishing activities[11]. In addition, certain Member States already applied or introduced national restrictions on vessel registration and flag granting. Recent case law of the Court recognizes that it is for the Member States to lay down, subject to the rules of international law, the conditions governing the registration of vessels and the latters' entitlement to fly their flag, but that, in exercising these powers, the Member States must observe the rules of Community law and in particular the provisions of Articles 7, 52 and 221 of the EEC Treaty[12].

In practical terms, the Court's judgments mean that national quotas may be fished by nationals of other Member States under the rules on freedom of establishment, which presupposes that their vessels are registered under the same conditions as those imposed on national vessels.

1.2.3 Other restrictions on fishing

1.2.3.1 Technical conservation measures

The Common Fisheries Policy is embodied in a complex and detailed corpus of legislation which seeks to ensure stock conservation while taking account of economic, social and regional considerations.

On the basis of Regulation (EEC) No 170/83 numerous technical measures have been adopted for the conservation of stocks, to apply both in Community waters and, for some aspects, in certain international and/or third country waters.

11 Cf. Court judgments on 14 December 1989 in cases C-3/87 and C 216/87.
12 Cf. Court judgments of 25 July 1991, in case C-221/89, and 4 October 1991 in case C-246/89.

The arrangements take account of the characteristics of the fisheries concerned, especially the regional context, species and types of gear used. In addition they lay down a system of allocation of competence between the Community and the Member States. For instance, the Member States may adopt urgent conservatory measures, which may then be confirmed, amended or cancelled by the Commission. The Member States are also authorized to take, vis-à-vis their own fishermen and in respect of local stocks only, technical catch-limiting measures additional to the Community measures. In cases of emergency the Commission may also take conservatory measures additional to or by derogation from the normal arrangements.

1.2.3.2 Supervision of fishing

The purpose of Community supervision of fishing is to ensure that the Member States apply the rules on resource conservation correctly and without discrimination, especially the rules on quota compliance, technical measures and specific arrangements. Article 10 of Regulation (EEC) No 170/83 provides for the adoption of supervisory measures to ensure compliance not only with the provisions of the Regulation itself but also with any implementing measures.

The general Community rules for monitoring the activities of Member States' vessels are laid down in Regulation (EEC) No 2241/87[13]:

- the basic principle is that each Member State bears first responsibility for monitoring fishing in its territory and maritime waters;

- the Commission has the power to verify, at sea and in fishing ports, the monitoring undertaken by the national authorities in this connection;

- there is a system for monitoring the take-up of TACs and quotas, based on the requirement that, while at sea, fishermen must record in a Community logbook the size of their catches and the areas fished and, after landing, they must report the quantities landed;

- all Member States must cooperate and share responsibility in matters of quota management and fisheries control.

The Commission may also ask Member States for any information concerning the application of the Regulation and, where irregularities are suspected, require an administrative enquiry, with the optional participation of a Commission official.

These general rules are supplemented by specific arrangements applicable to:

- fisheries in a zone around the Shetland Isles (system of licenses administered by the Commission for the Community, the detailed rules being laid down in Commission Regulation (EEC) No 2166/83

13 Council Regulation (EEC) No 2241/87 of 23 July 1987 establishing certain control measures for fishing activities, OJ No L 207, 29.7.1987, p. 1. Amended by Regulation (EEC) No 3483/88, OJ No L 306, 11.11.1988, p. 2.

of 29 July 1983 establishing a system of licenses for certain fishing activities in an area situated to the north of Scotland (Shetland area)[14];

- fisheries covered by Articles 158 to 163 and 349 to 352 of the Act of Accession of Spain and Portugal (lists of vessels). These rules are additional to the provisions of Regulation (EEC) No 2241/87 which apply throughout the enlarged Community.

Thus, the supervision of fishing lies within the competence of the Member States. The Commission merely has the power to accompany the national authorities in order to check the correct application of the rules. Moreover, the scope of the present rules[15] is limited to the monitoring of measures relating to internal stock conservation and management.

With regard to waters covered by the Northwest Atlantic Fisheries Organization (NAFO), Community inspections have been carried out since 1988 under the joint international inspection scheme[16] in which all the contracting parties take part. The inspectors appointed by the Commission (Community or national inspectors) carry out inspections of vessels flying flags of Member States operating in the waters concerned. The Commission organizes inspection trips each year aboard vessels which it charters or which are made available by a Member State in return for a financial contribution from the Community.

The purpose of inspections in NAFO waters is to check the application of the organization's rules by the vessels of the various contracting parties and also the application of the Community's specific rules by vessels of Member States in those same waters.

Despite the fact that, for Antarctic waters, the Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR) provides for a system of observation and monitoring, and that the Council has implemented the system in the Community[17], Community inspectors have not yet made any inspection trips in these waters, mainly because fishing operations by Community vessels are of minor importance there.

The principal shortcomings of the present monitoring system are outlined in Annex V. A specific document will be submitted to the Council on this subject.

14 OJ No L 206, 30.7.1983, p. 71.
15 Council Regulation (EEC) No 2241/87.
16 Council Regulation (EEC) No 1956/88 of 16 January 1988 adopting provisions for the application of the scheme of joint international inspection adopted by the Northwest Atlantic Fisheries Organization - OJ No L 175, 6.7.1988, p. 1. Certain rules for applying the scheme were adopted by Commission Regulation (EEC) No 2868/88 of 16 September 1988 - OJ No L 257, 17.9.1988, p. 20.
17 Council Regulation (EEC) No 3943/90 of 19 December 1990 on the application of the system of observation and inspection established under Article XXIV of the Convention on the Conservation of Antarctic Marine Living Resources - OJ No L 379, 31.12.1990, p. 45.

1.2.4 Inadequacies of the present system of resource management

1.2.4.1 Incomplete coverage by the TACs

Taking only the species managed by analytical TACs, i.e. excluding the precautionary TACs[18], less than 15% of the total landings value of catches taken in Community waters is covered by the TAC system.

The coverage of species by the TAC system is very different between the north (where it is high) and the south and certain coastal waters (very slight). Given this state of affairs, the vessels affected by catch restrictions for species subject to a TAC have sometimes been redeployed to other resources, previously exploited only lightly or not at all. This has restored some balance to the situation.

1.2.4.2 Multispecies fisheries

Even in Member States traditionally dependent on species now covered by TACs the contribution of the landings of other species may exceed 25% in terms of value. For certain coastal fisheries it may be as high as 100%.

Management with the aid of quotas defined for individual species is particularly difficult in the case of multispecies fisheries, very variable biological parameters (several species in one area) and non-selective fishing methods and gear. In such cases the choice rests solely between TACs which are inapplicable for most of the species because they exceed effective catch potential (paper quotas) and discards on a massive scale.

Generally speaking, multispecies fisheries are more common in the southern regions, especially the Mediterranean, than in the north.

1.2.4.3 Discards at sea

Discards are a general phenomenon. Detailed data are often unavailable, but the phenomenon accounts for hundreds of thousands of tons and billions of individuals. Two examples suffice to illustrate the situation:

- In the North Sea discards of haddock may exceed what is retained from a single trawl. The global estimate for 1985 was 460 million discarded individuals, whereas landings amounted to 500 million;

- In the Bay of Biscay/ Celtic Sea discards of hake in 1985 were estimated at 130 million individuals, for a landing figure of 110 million.

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18 A precautionary TAC is a figure calculated without reference to exact scientific evaluation of the size of a stock. The purpose is to avoid large-scale carryovers of effort to stocks not evaluated analytically.

The problem is not confined to a particular region. Even the Mediterranean is concerned despite the fact that the rules do not require discarding and high prices facilitate marketing. Discard rates of 10% are noneless common.

It would also be wrong to think that the discard problem was exclusively confined to one or another fishery. All the fisheries are concerned.

Fish are discarded for two basic reasons: either because there is an obligation written into the rules or because it is deemed economically advisable.

The Community rules require that certain fish, even marketable species, be discarded. This is true in the case of undersized individuals or catches causing an overrun either of the authorized size of bycatches for fisheries subject to a derogation or of the quota of the species in question. Such losses are an accepted evil in order to deter fishermen from certain other practices which, if allowed to get out of hand, would have even graver consequences.

In addition to the obligatory discards there those which are made on the judgment of the skippers who regard it as pointless to encumber themselves with catches which offer no prospect of adequate returns at the marketing stage. This is true in the case of species with no commercial potential, such as brittle star and a whole series of invertebrates, but also when, for the fleet in question, there is no appropriate commercial network (cf. grey gurnard in the North Sea). The case also arises where, owing to the particular conditions of a fishery, the packing, storage and landing costs exceed the hoped-for selling price, or where space must be reserved for species of higher commercial value. Targeting very high value species generally leads to an increase in discards, as certain freezer vessels illustrate. There is also, of course, the problem of fish damaged during the catch.

Discards would not exist if fishermen could make the necessary selection before harvest. One of the most radical solutions would be to select the desired species and sizes before catch. But there are no completely selective fishing techniques at the present time, and progress is very slow on this front.

The Commission will shortly present a paper to the Council on the very disquieting problem of discards at sea and the ban on discards in Norwegian waters which affects Community fishermen.

1.2.4.4 Environment

IMPACT OF FISHING ON THE ENVIRONMENT

Fishing affects marine ecosystems in various ways, and intense exploitation of fish stocks is only the most visible aspect. Other effects are caused by bycatches, for instance of marine mammals and seabirds caught in fixed or drift nets, or the capture of groups of

individuals or species by bottom trawl gear, which can also profoundly affect the seabed. These direct effects are probably made more complex by induced effects.

Over the past decade all the problems have become more acute because of the increased power of fishing vessels, their capacity to fish at depths hitherto not accessible to trawls (improved fish location techniques), and the development of new methods and gear.

Fishery resources form a link in the food chain and exploitation has an impact on the marine ecosystem. But it is difficult to assess the global impact of fisheries as the matter has been little researched. It would seem that the marine ecosystems have been less damaged by fisheries than other ecosystems by other activities.

IMPACT OF AQUACULTURE ON THE ENVIRONMENT

The impact of traditional shellfish culture is merely spatial, with occasional effects on sedimentation due to direct exploitation of plankton resources, especially phytoplankton.

Recent growth of shrimp and finfish farming, however, is leading to new environmental problems. Intensive units for fry production and ongrowing have been named as major sources of coastal pollution. The effluent from such units contains organic waste, chemical pollutants (pharmacological and cleaning agents), genetic pollutants (escape of genetically-altered individuals which can compete with natural populations). The consequences are aggravated by the concentration of such units in highly productive, but ecologically sensitive, locations.

IMPACT OF THE ENVIRONMENT ON SEA FISHING AND FARMING

All resources are extremely sensitive to environmental change. Natural changes in the marine environment play a fundamental role - barely understood - in the very sharp variations in breeding performance from one year to the next. Because of such poor understanding it is very difficult to determine the respective roles of natural changes and degradation due to manmade pollution.

In the case of high-sea stocks there is no evidence to suggest severe damage due to pollution. But this cannot be ruled out in the case of certain coastal, lagoon and estuary resources. Pollution has a radical effect on the salubrity of shellfish (farmed) and is therefore of major importance for the economic future of the shellfish industry. For certain types of chemical pollution and bacterial pollution the situation is perfectly clear, and it is essential to restore ecological health in large sectors of the shellfish farming industry. On the other hand, it is still proving impossible to identify the causes of the apparent proliferation of the toxic planktonic efflorescences (Dinophysis, Goniaulax) which have caused major problems in the last decade.

1.2.4.5 Research

Fixing TACs every year on the basis of scientific proposals mobilizes a considerable proportion of research capacity, which has to be diverted from other tasks, albeit essential for the future of the CFP, such as socioeconomic aspects or environment/fisheries relations.

Whereas the politicians and fishing industry professionals require ever more detailed and comprehensive analyses, the knowledge of stocks in certain regions (Mediterranean east of the Rhone, Atlantic from southern Gibraltar to Bay of Biscay, and Irish Sea) has progressed very little, the research effort has even declined in other zones (North Sea), and bioeconomic studies are still fairly rare.

In fact, the means of action placed at the Commission's disposal for encouraging research development have been fairly limited to date[19]. It has merely been possible to boost scientific cooperation where it was most needed.

1.2.4.6 Monitoring

Compliance with TACs and quotas has been very limited. Scientific working groups have made estimates of the reality of catch reports, independently of the official figures, as they have been doing for several decades. They show significant disparities of up to 60% between the reported catches and the "real" ones. The problem is not confined to certain stocks or even to a region. It affects all sectors and takes various forms. Over-reporting is not unknown.

The Commission has made little use of its power to close a fishery on the basis of reports that a Member State has used up its quota. Legally, the Commission has no direct access to the information in vessel logbooks. The Member States only use them to identify the fishing zones, but they could constitute a valuable information source.

Effective monitoring of the application of the rules is therefore very inadequate on several counts:

- coordination of monitoring by national inspection services and prosecution of infringements by Member States;

- monitoring of compliance with technical conservation measures;

19 The FAR programme (Council Decision No 87/534/EEC of 19 October 1987 – OJ No L 314, 4.11.1987, p. 20) provides for Community assistance (ECU 30m) for research in four areas:
–resource management
–fishing techniques
–aquaculture
–value enhancement.
Funds are also to be available for study grants and coordination of research.

- checking of quantities landed and conveyed to places of sale;
- communication of data;
- human and material resources assigned to monitoring at sea;
- autonomy of Commission inspectors.

Failure to comply with the rules triggers a system of sanctions against the relevant Member States and offending parties, involving procedures and mechanisms which are cumbersome and slow.

The effectiveness of the present monitoring system is therefore very limited, and that of the penalties applied to the Member States virtually nil.

1.2.4.7 Technical conservation measures

In practice, the rules on technical conservation have proved insufficient to provide adequate protection of stocks. It has been impossible to make them sufficiently stringent from the outset, particularly as regards mesh size. The complexity of certain rules makes monitoring extremely difficult. And the technical measures are now somewhat outmoded as the context has evolved both in technical terms and as regards social demand. The emphasis on the protection of ecosystems is now the most important. A major overhaul is therefore under way and has already produced certain tangible results. On 28 October 1991 the Council adopted certain technical conservation measures which put an end to more than two years of constant negotiation to give credibility to the Community in one vital area of resource management. With regard to the increase in mesh size in certain regions, the Council fixed the effective date for the first increase at 1 January 1992 and undertook to decide on a second increase to become effective by 1 January 1995 if scientific advice then confirmed that the current measures had failed to achieve the reconstitution of the stocks in question.

1.2.4.8 Annual decision-making on TACs and quotas

At decision-making level the scientific proposals are systematically revised upwards. In fact, the decision-making procedure always leads to overfishing. In addition, the catch estimates from sources other than the Member States show that when a stock proves economically attractive catches are very often, and sometimes very greatly, over the quotas. The fact that discards are not deducted from the quotas creates a disparity between what should be booked (the catches) and what is actually booked (the landings). Systematic overruns of TACs are gravely prejudicial to the operational usefulness of the very cumbersome scientific, administrative and political machinery involved.

Apart from quota overruns there is another problem: that of quotas systematically underused. As soon as one enters the geographical area of precautionary TACs (outside the North Sea and some adjacent areas) one finds an increase in "paper quotas"[20] associated with precautionary TACs.

20 A "paper quota" is a quota which exceeds effective catch opportunities.

2 Structures, markets and external resources

2.1 Management of structures

2.1.1 The fishing fleet

One of the main obstacles to the rational evolution of the common fisheries policy is fleet overcapacity. This is not only a financial burden on the Community, it is also the source of a number of complex regulations and measures.

It should be noted that the need to rebalance the fleet is made all the more pressing by the fact that the derogations from the principle of free access will not be effective after 2002, unless any adjustments are made.

An overlarge fleet makes the objectives of management and conservation of resources as expounded in Regulation (EEC) No 170/83 more difficult to achieve. In such conditions, fishing activity exceeds the tolerable level for exploitation of stocks.

2.1.1.1 1983-86 Fleet MGPs

The structural policy created in 1970 was developed for the above reasons (Council Regulation (EEC) No 2908/83 of 4 October 1983 on a common measure for restructuring, modernizing and developing the fishing industry and for developing aquaculture[21]). One of the instruments essential to its implementation is the system of Multiannual Guidance Programmes (MGP).

The preamble to the Regulation clearly stated the desire to establish a fleet adapted to available resources and acknowledged the fact that the Community fleet's fishing opportunities had diminished.

The MGPs adopted over the period 1983-86 were approved with this in mind, and virtually all the decisions adopted by the Commission contained conditions to the effect that the objective of all the Member States must be to stabilize or reduce fleet capacity by the end of the period in question.

Nevertheless, fishing capacity has in general increased.

21 OJ No L 290, 22.10.1983, p. 1.

2.1.1.2 1987-91 Fleet MGPs

In 1986 all structural measures in favour of the fishing fleet and aquaculture were grouped in one legal framework by Council Regulation (EEC) No 4028/86[22]. This Regulation was amended in 1990 by Regulation (EEC) No 3944/90[23] to extend the coverage of certain structural measures to vessels less than 9 metres in length between perpendiculars or 12 metres where the vessel is capable of trawling, and to define a measure in favour of joint enterprises.

The situation from previous programmes and the overcapacity of the fleets were taken into account when the 1987-91 programmes were approved by the Commission. It therefore fixed a final target for 31 December 1991 based on a reduction of 3% in tonnage and 2% in engine power from the previous programmes' targets. In order to reduce capacity gradually, intermediate targets were fixed for each year.

The Council adopted Regulation (EEC) No 2930/86[24] with a view to using identical rules to define the characteristics of fishing vessels.

Commission Regulation (EEC) No 163/89[25] brought about further standardization of definitions and information concerning the fleet.

The procedure for monitoring the programmes was begun from the end of 1987. To this end the Member States regularly notified the Commission of information relating to the development of the fleets and the state of progress of the programmes.

Although the 1987-91 MGPs achieved some progress by comparison with the previous programmes, the result was still unsatisfactory.

However, it has to be said that the Member States did take a number of legislative and administrative measures in support of the targets and as a result there was a general stabilization in the fleet and in some cases significant movement towards a reduction.

22 Council Regulation (EEC) No 4028/86 of 18 December 1986 on Community measures to improve and adapt structures in the fisheries and aquaculture sector - OJ No L 376, 31.12.1986, p. 7.
23 Council Regulation (EEC) No 3944/90 of 20 December 1990 amending Regulation (EEC) No 4028/86 on Community measures to improve and adapt structures in the fisheries and aquaculture sector - OJ No L 380, 31.12.1990, p. 1.
24 Council Regulation (EEC) No 2930/86 of 22 September 1986 defining characteristics for fishing vessels - OJ No L 274, 25.9.1986, p. 1.
25 Commission Regulation (EEC) No 163/89 of 24 January 1989 concerning the fishing vessel register of the Community - OJ No L 20, 25.1.1989, p. 5.

Table 1 : Current situation and anticipated development in fleet capacity

Member State	Situation at 31.12.1990	Target set for 31.12.1990	Trend in relation to MGP	Situation at 30.6.1991	Target set for 31.12.1991
Belgium	GRT 25498	GRT 22870	B	GRT 26279	GRT 21340
	kW 77164	kW 72495	B	kW 78244	kW 69242
Denmark	GRT 114746	GRT 122687	A	GRT 112577	GRT 119400
	kW 505929	kW 524515	A	kW 497589	kW 515300
Germany (1)	GRT 45837	GRT 50120	A	GRT 45910	GRT 49200
	kW 127655	kW 138440	A	kW 127540	kW 138000
Greece	GRT 132548	GRT 133672	B	GRT 131970	GRT 130945
	kW 576297	kW 523795	B	kW 574736	kW 493776
Spain	GRT 587704	GRT 612881	A	GRT 573858	GRT 604757
	kW 1721148	kW 1778667	A	kW 1683067	kW 1756000
France	GRT 204512	GRT 204786	B	GRT 202866	GRT 201604
	kW 1140198	kW 1096460	B	kW 1129388	kW 1055050
Ireland	GRT 48936	GRT 49903	A	GRT ND	GRT 43941
	kW 186470	kW 200502	A	kW ND	kW 177576
Italy	GRT 277563	GRT 282114	A	GRT 269470	GRT 268198
	kW 1488724	kW 1643730	A	kW 1522269	kW 1541664
Netherlands	GRT ND	GRT 71840	B	GRT ND	GRT 64796
	kW 485300	kW 429570	B	kW 451950	kW 382278
Portugal	GRT 186032	GRT 209540	A	GRT 184369	GRT 209540
	kW 494856	kW 541003	A	kW 493173	kW 541003
United Kingdom	GRT 201745	GRT 198590	B	GRT 208974	GRT 193027
	kW 1173548	kW 1119208	B	kW 1194268	kW 1095208

Sources : Data provided by the Member States under the provisions of the MGPs.

A = Development in line with MGP.

B = Development not in line with MGP.

GRT = gross register tonnage; kW = engine power in kilowatts; N/A = not available.

(1) As a result of unification in 1990, the German MGP was amended by Commission Decision 91/540/EEC of 14 October 1991 (OJ No L 294, 25.10.1991, p. 49). The 31/12/91 targets were revised upwards by 27 750 grt and 44 500 kW. In future the MGP for the German fleet will encompass the entire German fleet.

2.1.1.3 1992-96 Fleet MGPs

The guidelines for the 1992-96 MGPs are contained in Part 2, "Guidelines".

2.1.1.4 Global assessment

BENEFITS

The benefits from the programmes to date may be summarized as follows :

- The linkage of structural policy operation to the achievement of agreed capacity reduction objectives, on an annual basis;

- The establishment of the first steps in achieving eventual comprehensive classification of the Community fishing fleet. This is necessary in order to permit accurate identification of structural problems with consequent targeting of aid to solve these problems;

- Agreed global capacity reduction objectives are also provided for to achieve uniform treatment of Member States;

- The programmes also made a regular flow of information available on both the situation and evolution of the fleets which created an awareness both in Member States and in the Commission of the need to introduce or improve measures to achieve the agreed objectives for the fleet.

LIMITATIONS

Programmes to date have been mainly limited by inadequate information to adopt a more comprehensive approach.

The developments indicated above will go some way towards improving this situation. Further progress is necessary, however, to ensure that new programmes (1992-96) become effective CFP instruments.

The main limitations in the 1984/86 and 1987/91 programmes can be identified as :

- insufficient classification of the fleet into categories related to the species caught, fishery zones and methods of fishing;

- monitoring of the fleet based on a limited number of physical capacity parameters only, without any consideration of the remaining parameters and fleet activity (fishing effort);

- absence of short- and long-term objectives based on the actual situation of particular stocks;

- lack of statistical data and inadequate measures to control fishing capacity and fishing effort;

- non-obligatory status of the programmes.

THE STRUCTURAL MEASURES

Under the MGPs the structural measures as a whole have suffered delays in implementation because activating the re-orientation (exploratory fishing, redeployment, joint ventures and joint enterprises) and restructuring measures (construction, modernization and adjustment of capacities) is not a matter for the Community but for the Member States which have the political and budgetary initiative.

In addition, despite an attempt at dividing up the budget between the various structural measures there was no corresponding programming of the measures. This meant that global targets could not be realized and decisions were taken on a case-by-case basis with no overall strategy behind them.

We also have to add that :

- measures supporting renewal of the fishing fleets (construction) were compatible with the targets without, however, offering all the guarantees as to their full execution and therefore their compliance with the structural policy;

- as for the measures to modernize the fishing fleets, the criteria for granting aid avoided an increase in grt and engine power without, however, preventing an increase in fishing effort as a result of technological progress; this aggravated the overcapacity while encouraging improvements in working conditions, safety on board and product quality on board.

The modest size of the premiums proposed for temporary and permanent withdrawal (adjustment of capacities) of fishing vessels, which were revised upwards when Regulation (EEC) No 4028/86 was revised, is partly responsible for the lack of impact of this measure.

Lastly, the ambiguous definition of the measures in favour of reorienting fishing activities definitely reduced their impact.

2.1.2 Aquaculture

The Community aquaculture industry, with a production of 925 000 tonnes of fish, molluscs and shellfish and sales of about ECU 1.4 billion in 1989, accounts for about 7% of the value of world aquaculture and 17% of the value of landings of EEC fish products. The sector employs about 35 000 people full-time and 50 000 part-time, 65% of them in shellfish farming.

Financial encouragement to the development of the industry prioritized supplying the Community market and improving the balance of trade in fish products.

At the same time, the reform of the Community structural Funds allowed additional financial measures in favour of aquaculture to be implemented in the framework of regional policies, agricultural policy and specific policies.

Aquaculture must not be seen merely as a means with which to supplement the resources of the fishing industry; it must also be stimulated for its own merits, for it is often a source of income and jobs in peripheral coastal areas which do not have many other options for economic production or employment.

2.1.2.1 1987-91 Aquaculture MGPs

Achievement of the targets for traditional products such as shellfish and salmon was relatively satisfactory, whereas for the new sectors development was more difficult to assess.

The "fisheries" structural policy was applied to projects which were fully representative of the general development of the sector and the dispensed aids were in line with the relative importance of aquaculture in the various Member States or with its development prospects.

The failure rate, in terms of financed projects abandoned, was only 4%.

As a result, certain production sectors made remarkable progress, largely due to financial encouragement from the European Community.

Nevertheless, the 1987-91 MGPs were drawn up using an insufficiently selective approach. They posed a heavy administrative burden which sometimes resulted in a dissipation of public funds with no real concern for planning.

With regard to their targets, it is unfortunate that the fact of large deficits in the balance of trade in certain products led public authorities, in a spirit of excessive self-interest, to plan 'ipso facto' the development of farming for the species in deficit.

In this respect, the previous MGPs reveal the hazardous nature of planning by extrapolation with little heed for the obstacles caused by the natural limits to the farming of certain species, the shortcomings of certain infant technologies, the changeable nature of market conditions, fierce competition for access to the best sites or inadequate professional training.

2.1.2.2 1992-96 Aquaculture MGPs

The guidelines for the 1992-96 MGPs are explained in Part 2, "Guidelines".

2.1.3 Processing and marketing

The fishery products processing and marketing sectors form one of the key elements of the fishing industry. There is a close interdependence between these two sectors and the production sector.

Community production can only obtain satisfactory returns if there is a commercial network and an efficient processing industry within the Community. Regular supplies which meet the demands of the industry are the overriding concern for the competitiveness of the latter. This is also true for the marketing network, especially at the first-sale stage.

Council Regulation (EEC) No 355/77 of 15 February 1977 on a common measure to improve the conditions under which agricultural and fishery products are processed and marketed[26] was the main basis for the policy of support to these sectors from 1977 to 1989.

The aim of the Regulation, common to agriculture and fisheries, was to permit the development and rationalization of businesses involved in processing and marketing fishery and agricultural products. From 1985 10% of the EAGGF Guidance Section's budget was reserved for the fisheries sector, an average of ECU 30 million, supplemented over the past two years (1989 and 1990) by top-up appropriations of ECU 15 million per year.

From 1987 on, priority has also been given to projects having a major technological innovation element, projects aimed at improving public health conditions, projects for the processing and marketing of less well-known species and lastly, to projects aimed at switching to products intended for human consumption.

Between 1985 and 1990 about 760 projects benefited from this Regulation to the tune of about ECU 208 million. This represents finance for about 45% of all projects submitted but only 33% of the aid applied for.

In countries where the processing industry was well enough developed the impact of Community measures was rather limited as a result of the small sums allocated. The measures were mainly aimed at rationalizing and modernizing production structures and increasing the added value of the production.

On the other hand, in countries where the processing and marketing of fish products was facing serious restructuring difficulties the Community measures were more significant, provided that the definition of objectives in the specific programmes containing individual projects identified the areas where public support was needed and enabled national and Community aid to be concentrated there.

26 OJ No L 51, 23.2.1977, p. 1.

Regulation (EEC) No 355/77 had two shortcomings. It was given insufficient funding, and the selection criteria concentrated too much on the needs of the market and on maximizing returns from Community production alone, using the traditional approach applied in the agricultural sector.

Council Regulation (EEC) No 4042/89 of 19 December 1989 on improving the conditions under which fisheries and aquaculture products are processed and marketed[27], which became part of the reform of the structural Funds from 1990 on, was given much more funding (almost double the previous budget). While maintaining the same objective, it takes more account of all the factors affecting the development of the Community fish product processing and marketing industry, in particular the supply deficit. It is also more oriented towards modernization and technical innovation in the SME sector and is in particular aimed at improving production quality and hygiene.

Although a broad assessment of the fish product processing and marketing sectors is relatively difficult because of their lack of homogeneity, there are a number of obstacles to overcome to ensure their competitiveness. They seem very fragmented and some firms are still using outmoded equipment. Numerous businesses need to raise their hygiene standards and, more generally, to innovate and improve product quality if they are to face up to tough international competition, particularly in the context of the European Economic Area.

2.3 Management of the market

2.3.1 Background

The common organization of the market in fishery products has now become one of the three major branches of the CFP, along with 'resources' and 'structures'. This should not be allowed to obscure the fact that the preparation and implementation of the different components of the CFP is based on quite different factual and legal reasoning with a consequent hiatus between the market component and the others, even though complementarity, or rather coherence, between them is sought after.

It was 1964, when there was a major crisis in the fish products market, particularly in France, as a result of a major influx of imports after customs barriers were raised in line with the provisions of the Treaty, before proposals were prepared by the Commission for regulating markets and a start was made on structural measures based on the CAP's mechanisms.

The proposals were not transmitted to the Council until 1968 and were only just placed on the agenda of one of the last of its meetings prior to expiry of the transitional period on 31 December 1989.

27 OJ No L 388, 30.12.1989, p. 1.

As a result, the market organization, the first of whose Regulations — Council Regulation (EEC) No 2142/70 of 20 October 1970 on the common organization of the market in fishery products[28] — contains the broad principles which still underlie it today, is a permanent scheme following on from the obligations imposed by the Treaty.

Its role is, and can only be restricted to the operation of the market, at the Community level and in trade with third countries.

2.3.2 The broad principles

The market organization is the component of the CFP which is most closely analogous with the common agricultural policy. The initial elements of the organization were largely inspired by the market organizations created in the agricultural sector during the 1960s, especially in fruit and vegetables.

It pursues the same objectives :

- to stabilize the markets,
- to guarantee security of supplies,
- to ensure that prices to consumers are reasonable.

It obeys the same principles :

- unification of markets,
- Community preference,
- financial solidarity.

However, there is one essential difference between it and the majority of the agricultural market organizations, a difference stemming from the fact that the customs tariffs for fishery products were bound under GATT in 1962 at the end of the Dillon Round when the Common Customs Tariff was being initially drawn up.

This introduced an element of rigidity important to the organization. It restricts the Community's scope for manoeuvre when adopting market management mechanisms both internally and in relations with third countries.

The GATT element largely explains why the market organization has not gone so far off course as certain agricultural policies and why it has remained bound to a market economy concept which is not present in all the elements of the CAP. This situation is the result of a political choice, not the stock situation. The "fishery shortage" problem is not the opposite of "agricultural surpluses" problem (neither of which was apparent at the start of the CFP and CAP). The shortage does not apply to all products subject to organization rules (in particular certain cephalopods and pelagic species).

28 OJ No L 236, 27.10.1970, p. 5.

The difference in approach introduced by this fundamental element can clearly be seen in the budget. The budget for support to agricultural markets is some ECU 32.4 billion, whereas the structural budget for agriculture is ECU 2.5 billion. In contrast, the budget for fishery products markets is ECU 27 million, while the structural budget is ECU 254 million. This shows that the objectives of developing productivity and increasing income are not pursued by the same means in the CAP and in the CFP.

2.3.3 The mechanisms

The common market organization is designed to guarantee transparency and uniform conditions of trade, strengthen the solidarity of producers in their efforts to enhance the value of their production, guarantee the free circulation of the products and organize international competition as a function of the marketing restraints imposed at the internal level.

It is based on the following four main elements[29]:

- common marketing standards,
- producer organizations,
- a common prices system,
- a system of trade with third countries.

2.3.4 Trade policy

2.3.4.1 Market supplies and price trends

With respect to internal Community supply the results of resource management constraints and responses are apparent in the evolution of the volume and composition of landings. Landings of roundfish species such as cod and haddock have followed the evolution of TACs and quotas, i.e. moved in a downward direction, where TACs and quotas have represented real maximum production limits. The total availability of cod within the Community's fisheries zones (as determined by the TACs) had been reduced by 1991 to some 50% of its 1983 level. For haddock the reduction over the period has been greater : for 1991 the total of the TACs stands at some 34% of its 1983 level. On the other hand landings of some other demersal species, particularly flatfish, have increased where greater utilization of quota and non-quota species was possible. The TACs for the two major flatfish species, sole and plaice, have remained relatively stable over the period since 1983, with total availability tending to increase towards the latter part of the period. Pelagic landings and landings of some shellfish species have also shown a tendency to increase in most cases.

29 See Annex XVIII.

At the same time, demersal fish as a group and many individual demersal species have become considerably more valuable in monetary and real terms. This observation is also applicable to many of the shellfish species, but not to the pelagic group, where in most cases monetary and real values have at best remained static or have even declined[30]. These price developments have been important in determining the gross earnings of fishing enterprises relying on the various species. The more recent reductions in some demersal TACs and quotas have led to a probable fall in aggregate real earnings for the vessels dependent on the stocks in question in spite of the favourable price changes[31].

While the price increases in real terms for demersal species have cushioned the impact of reduced landings on the economic viability of parts of the fleet, these increases also represent increases in real raw material costs to the whitefish processing sector. Furthermore, the price elasticity of demand further down the distribution chain has been such that the possibility of fully recovering these increased costs has been limited, leading in some cases to financial difficulties and the loss of jobs in the secondary sectors of the industry. These economic difficulties have been compounded by discontinuities in supply caused by the application of management mesures to the primary sector. Member States have become increasingly dependent on the import of fish and fishery products from internal Community and third-country sources to satisfy consumer demand, with the processing sectors becoming increasingly reliant on whitefish imports from third countries for their supply of raw material. In some cases, fish imports have increasingly been in a secondary processed form, reducing the possibilities for added value activities in the processing sectors, with an attendant loss, through multiplier effects, of output, income and employment in the coastal economies[32].

Community trade in fishery products is characterized by a structural deficit which is increasing steadily from year to year[33].

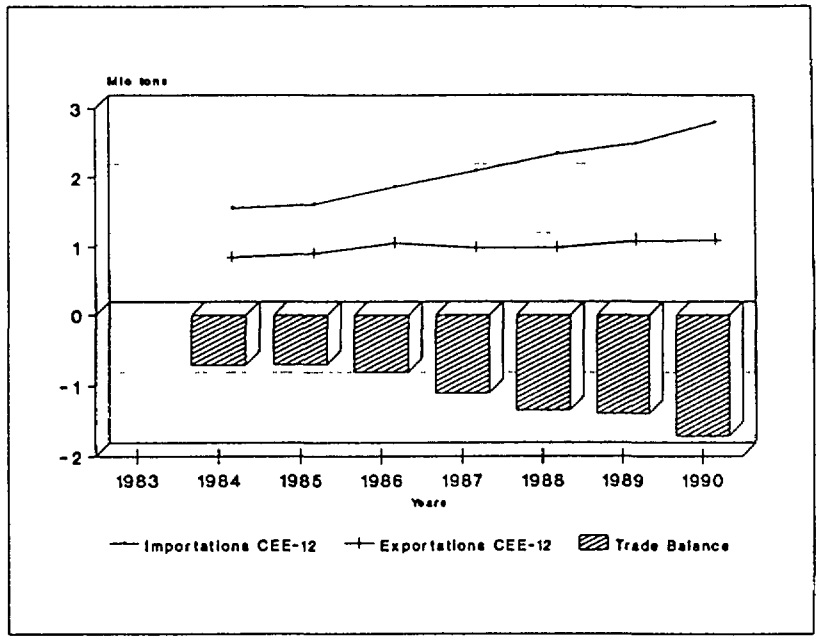
30 For example, the real price of sole landed into Irish ports in 1988 was 46% higher than in 1983. Cod increased in real price by 31% and haddock by 54% over the same period. However, the real price of plaice remained relatively stable and the average real prices for herring and mackerel declined by 30% and 16% respectively. In Denmark the real price of cod was 2.2% higher in 1989 than in 1983 whereas the real price of herring was 38% lower in 1989 than in 1983.

31 See Annex VIII.

32 See Annex XIV-8, XIV-9, XIV-10.

33 See Annexes VI and VII.

Graph 1 : Community trade in fishery products



Source : EC Commission

This dependence puts the Community market in a delicate balance. It is necessary to supply the market in order to meet the needs of consumers and the processing industry while preserving the interests of Community producers.

2.3.4.2 System of trade with third countries

Without exaggerating the dependence of the Community market on imports, it should be pointed out that the concept of 'security of supplies' as provided for in the Treaty seeks to secure supplies from Community producers, not with the aid of imports.

The trade mechanisms (customs tariff, reference prices, protection measures) are aimed at ensuring implementation of the principle of Community preference.

The main component of this element of the market organization is the Common Customs Tariff. This can be adjusted on the basis of different principles:

- by striking a necessary balance between the protection of producers' incomes and the need to supply the processing industry;

- by seeking to link trading concessions to preservation of fishery interests (access to the market versus access to resources). Political compromises often lead to a reduction in tariff protection

applicable to fishery products to the benefit of Community interests which largely exceed those of the fishing industry.

International trade is moving towards the dismantling of tariff protection, in the fishery sector and outside. This needs to be considered in the discussions of the future development of international competition conditions in which the Community fleets will be working.

2.3.5 Quality policy

Problems relating to improving the quality of fishery products are expounded in Part 2, "Guidelines".

2.4 Management of the Community fleet's fishing activities outside Community waters

2.4.1 Terms of access to third-country waters

Bilateral fishing agreements have been signed by the Community where coastal states have extended the areas under their fisheries jurisdiction. The objective is to maintain or restore the traditional activities of the Community's distant-water fishing fleets and also to develop them by creating fishing opportunities in waters under the jurisdiction of other coastal states or in international waters covered by an international convention. The Community is a member of various international fisheries organizations (NAFO, NEAFC, CCAMLR, NASCO, the Baltic Commission, etc).

With a view to meeting this objective the Commission has to date signed 23 agreements, 16 of them with African and Indian Ocean countries and 7 with North Atlantic countries. Without these agreements, the general extension of waters under fisheries jurisdiction would have meant a considerable reduction in fishing opportunities, with attendant social and economic consequences.

The fishing opportunities offered by the agreements are considerable. The number of tuna purse seiners which can operate in the waters of the African and Indian Ocean countries alone varies from 21 to 54, while the number of pole-and-line tuna vessels and surface longliners exceeds 35 for several countries. The authorized total fishing effort for trawlers is of the order of 230 000 grt, taking all species of fish together, with about 95 000 grt in Moroccan waters, which gives opportunities for about 1000 vessels of all types and tonnages.

The agreements are signed on a mutual interest basis, respecting the general principles relating to the rational utilization of fisheries resources and the rights of coastal States or competent regional or international authorities. The existence of Community fisheries agreements does not preclude the conclusion of "private" arrangements.

The acquisition of fishing rights in third-country waters is offset by the offer of compensation to that country. The type of fishing agreement varies according to the form the compensation takes: it may be exclusively financial, consist of trading concessions (respecting the Community's international obligations) or an exchange of fishing rights or be a combination of these elements.

TABLE 2 : LIST OF FISHERIES-AGREEMENTS CONCLUDED BY THE COMMUNITY

TYPE OF AGREEMENT	THIRD COUNTRIES	DURATION OF APPLICATION (MONTH/ YEAR)	ANNUAL AMOUNT OF FINANCIAL COMPENSATION FROM EEC BUDGET (ECU MILLION)	OBSERVATIONS
Reciprocal agreements	Norway	06/81 to 06/97	—	
	Sweden	04/81 to 04/97	1	
	Faroes	03/81 to 03/97	—	
	Finland	01/84 to 01/94		2
Agreements based on access to resources/ markets	Canada	01/82 to 12/87	—	3
Agreements based on access to surplus	United States	11/84 to 06/91		4
Agreements based on financial compensation	Angola	05/90 to 05/92	8.985	
	Cape Verde	09/91 to 09/94	0.870	
	Comoros	07/91 to 07/94	0.485	
	Côte d'Ivoire	01/91 to 01/94	2.366	5
	Dominica	3 years	0.458	
	Gambia	07/91 to 06/93	1.385	
	Guinea	01/90 to 12/91	3.750	
	Guinea Bissau	06/91 to 06/93	6.700	
	Equatorial Guinea	06/89 to 06/92	2.388	
	Mauritius	12/90 to 11/93	0.650	
	Madagascar	05/89 to 05/92	1.266	
	Mauritania	08/90 to 07/93	9.670	
	Mozambique	01/90 to 12/91	2.925	
	Sao Tome and Principe	06/90 to 05/93	0.725	
	Seychelles	01/90 to 01/93	3.300	
	Senegal	05/90 to 04/92	15.000	
	Sierra Leone	2 years	2.825	5
	Tanzania	3 years	0.560	5
	Gabon	3 years	3.050	5
Agreements based on access to the market with financial compensation	Greenland	01/90 to 12/94	34.250	6
	Morocco	03/88 to 02/92	70.375	
TOTAL			171.983	

1 Since 1980, the Community has been paying Sweden an annual compensation to contribute to the costs of salmon breeding. In 1991: ECU 765 000.
2 Agreement in force but not applied.
3 Framework agreement of unlimited duration, still in force. The exchange of letters setting the Community fishing rights and the amount of financial compensation from the Community expired on 31.12.1987 and has not to date been renewed.
4 Procedure for retroactive extension from 1.7.1991 to 31.12.1994 is under way. Various obligations required from the shipowners.
5 Not in force.
6 A further ECU 2.237 million was paid in 1990 because fishing rights were offered additional to those agreed in advance.

Developments are expected, particularly as a result of "second-generation" fisheries agreements which should allow new forms of association, including the creation and development of joint enterprises, to achieve closer and more lasting cooperation with partner countries, particularly in terms of the transfer of technology and knowhow, supply of capital and equipment, vocational training, the development of distribution networks and the strengthening of scientific and technical cooperation.

3. Development of the fisheries and aquaculture sector in the Community

3.1 Some basic data

1. The European Community is one of the four great world powers in terms of sea fishing (after Japan, the USSR and China), accounting for some 7% of world production in 1989, and the largest world market for fish products[34]. Community production in 1989 was about 5.8 million tonnes (over ECU 6 billion), to which must be added aquaculture production of just under one million tonnes in 1989.

TABLE 3 : MEMBER STATE FLEET PRODUCTION IN 1983 AND 1989 (LANDINGS IN MEMBER STATE AND FOREIGN PORTS)

	1983		1989	
	volume '000 tonnes	value in ECU million	volume '000 tonnes	value in ECU million
Belgium	43	58	35	78
Denmark	1 937	418	1 876	454
Germany	284	150	208	138
Greece	111	285	152	504
Spain[1]	1 145	1 314	961b	1 764
France	526	702	560	943
Ireland	192	71	197	111
Italy	434	865	365	1 252
Netherlands	248	n/a	305	n/a
Portugal[1]	264	257	331	275
United Kingdom	770	477[1]	751	622
TOTAL	5 954	4 597[2]	5 741	6 141[2]

Sources : Various sources including the Member States, OECD and EUROSTAT.

34 See Annex X (FAO information).
1 National landings in domestic ports only : OECD figures.
2 Does not include the value of Dutch landings.

2. The number of full- and part-time fishermen, about 300 000 in 1983 (including Spain and Portugal), was estimated at about 250 000 in 1989.

TABLE 4 : NUMBER OF FISHERMEN BY MEMBER STATE AND AS A PROPORTION OF ACTIVE NATIONAL POPULATION

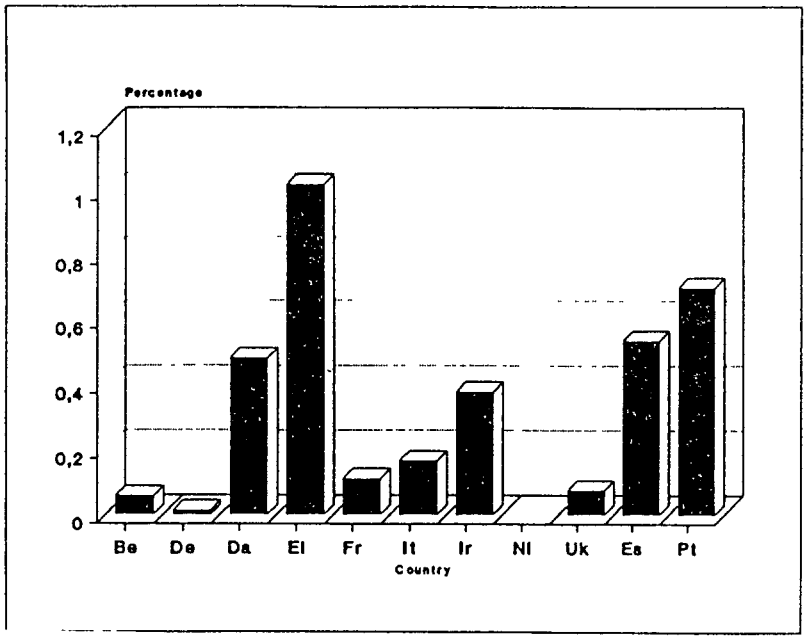
	Number of full- and part-time fishermen		Number of full- and part-time fishermen as a proportion of the active national population	
	1983	1989	1983 %	1989 %
Belgium	1 274	1 271	0.033	0.033
of whom	385a	363a		
Denmark	8 345b	7 323	0.308	0.256
Germany	2 656	1 895	0.010	0.007
Greece	26 700	40 164	0.701	1.012
of whom		12 050a		
Spain	99 975c	89 074	0.730c	0.600
France	19 500	18 000e	0.084	0.075
Ireland	8 572	7 900	0.655	0.606
of whom	5 141a	4 520a		
Italy	34 000	n/a	0.151	n/a
Netherlands	3 553	3 311	0.063	0.050
Portugal	41 764c	38 924	0.900c	0.810
United Kingdom	22 181d	22 422	0.081	0.078
of whom	6 263a	5 137a		

a = part-time; b = 1984; c = 1986; d = 1985; e = estimate

Sources : Various sources, including the EC Commission, Member States, OECD and EUROSTAT.

3. In general, the value of landings was less than 1% of GDP.

GRAPH 2 : VALUE OF LANDINGS AS A PROPORTION OF GDP



Source : Member States, OECD and EUROSTAT

4. Price trends for five target species on the Community market between 1983 and 1989 are shown below :

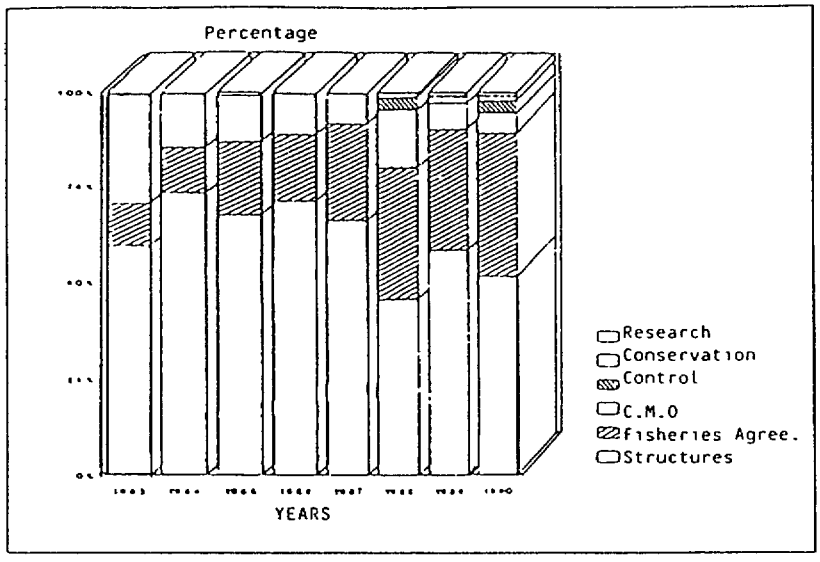
TABLE 5 : PRICE TRENDS FOR FIVE TARGET SPECIES ON THE COMMUNITY MARKET BETWEEN 1983 AND 1989 (ECU/TONNE)

SPECIES	AVERAGE MARKET PRICES (current prices)		GUIDE PRICES	
	1983	1989	1983	1989
Cod	985	1416	993	1230
Plaice	1059	920	Jan.-Apr. 708	Jan.-Apr. 774
			May-Dec. 912	May-Dec. 1055
Herring	302	221	336	270
				Aug.-Dec. 246
Med. sardine	353	479	408	459
Anchovy	780	1890	509	EEC-11 833
				Spain 961

Source : CEC

5. Annual Community budget expenditure on implementing the entire CFP amounts to about 1% of the Community budget. During the period 1983–1990 appropriations for the various CFP instruments were allocated as follows :

Graph 3 : Trend in the allocation of fisheries appropriations by sector from 1983 to 1990



Source : EEC budget

6. In 1990 the 'Fisheries' budget was ECU 446.31 million[35], ECU 23.61 million of which went on the common market organization. In the same financial year the EAGGF Guarantee Section's expenditure on certain sectors was as follows :

TABLE 6 : Selected EAGGF Guarantee Section expenditure in 1990

PRODUCTS	EAGGF Guarantee Section expenditure (ECU million)
Milk and milk products	4340
Beef	2187
Olive oil	1300
Wine, grapes	1034
FISHERIES	446
of which: market organization:	24

Source : EEC 1990 budget

35 See Annex XI for the trend in 'Fisheries' appropriations over the period 1983-1990.

3.2 State of fish stocks and anticipated development[36]

The fundamental requirement for assessing the state of a fish stock is an estimate of the fishing mortality rate to which the stock is subject. The means by which such estimates are obtained are beyond the scope of this document. However, given that such estimates can be obtained, fishery scientists define the state of a fish stock by asking two questions :

> QUESTION 1 : Is it likely that, in the future, landings could be noticeably and, on average, permanently increased by changing the fishing mortality rate on some or all age groups of the stock ?

Long-established methods exist to answer this question and the state of exploitation of fish stocks can be classified (somewhat arbitrarily) into three groups on the basis of the reply :

Lightly Exploited — Increasing the fishing mortality rate to the point at which the stock becomes fully exploited will result in an increase in average yield.

Fully Exploited — Increasing the fishing mortality rate will result in a negligible increase or a decrease in average yield.

Heavily Exploited — Yield will be maintained or increased by a reduction in the fishing mortality rate.

These definitions are useful and are widely applied to fish stocks for which the appropriate analyses can be carried out. However, the methods on which this classification is based do not consider the possibility that the stock is now in or may enter into a depleted state. Consideration of this possibility is essential.

> QUESTION 2 : Is it the case now that the stock is unable to replenish itself by reproduction or will this become the case if the fishing mortality rate is changed ?

No fully satisfactory methods exist to answer this question. However, evidence of current low abundance of mature fish, especially if accompanied by associated estimates of low numbers of young fish entering the stock, is always cause for serious concern. If this appears to be the situation the stock may be classified as :

Depleted Stock — Heavily exploited to the point at which the mature fish left in the stock are insufficient to generate enough offspring for stock replenishment. If this condition persists it is possible that the stock will collapse to a level from which recovery will be difficult or, perhaps, impossible.

A difficulty with the classification given above is that by no means all stocks are subject to the kind of analysis which, strictly speaking, is required to allow allocation to an appropriate category. However, in many cases where gaps in data prevent full analysis cruder methods are applied and it is usually the case that some estimate of the state of the stock can be obtained.

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36 See map of ICES divisions in Annex XII

3.2.1 Classification of the state of stocks

3.2.1.1 Stocks subject to TACs

Information on the state of all internal stocks for which TACs in 1991 were greater than 1000 tonnes is presented in Annex XIII-1 together with the values of the TACs for 1991 and an indication of the quality of the scientific assessment. Information in this Table is summarized by species in the text-table below.

Table 7 : Number of stocks in state of exploitation

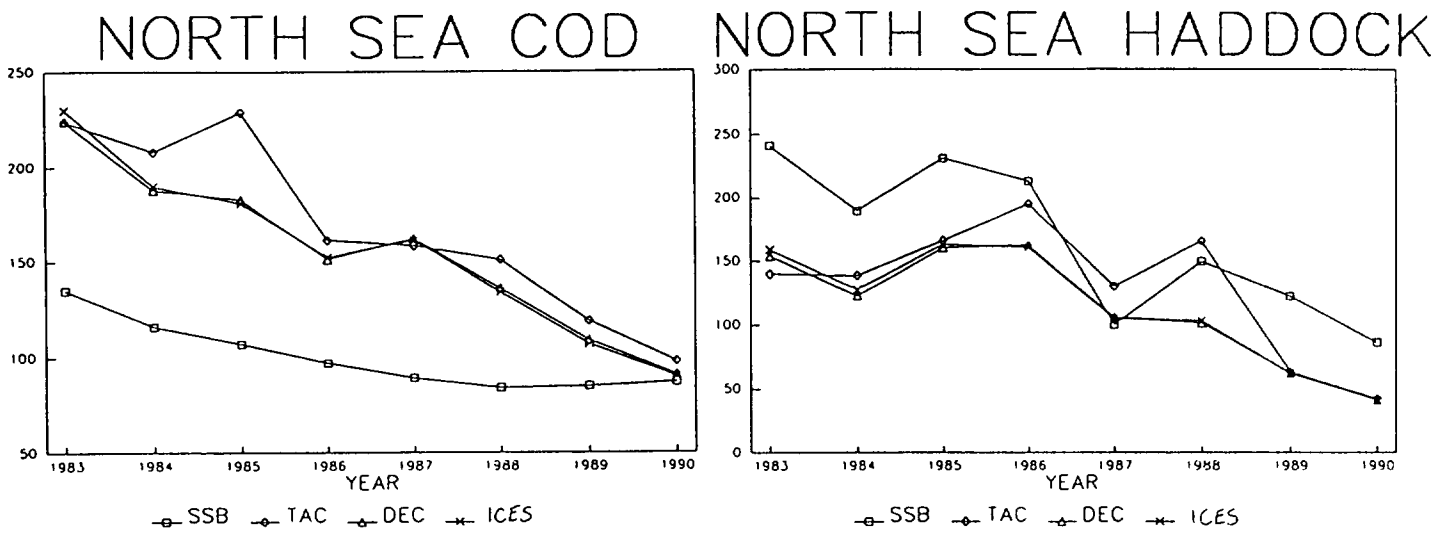
SPECIES	PRE 1983					1990					TOTAL
	L	F	H	D	U	L	F	H	D	U	
HERRING		2	5				6	1			7
SPRAT	1		1		2	1			1	2	4
ANCHOVY					2					2	2
ATL. SALMON			1					1			1
COD		3	5					6	2		8
HADDOCK			4					3	1		4
SAITHE		2			1			2		1	3
POLLACK					3					3	3
NORWAY POUT			1					1			1
BLUE WHITING	1				1	1				1	2
WHITING			5		2			5		2	7
HAKE			2					2			2
HORSE MACKEREL	1		1			1		1			2
MACKEREL	1		1				1	1			2
PLAICE		3	5				1	7			8
COMMON SOLE		7	1		1		1	7		1	9
MEGRIM					3		3				3
ANGLER FISH					3			3			3
CRUSTACEANS					6	1	3	2			6
TOTAL	4	17	32	0	24	4	15	41	5	12	77

Key: L = lightly exploited; F = fully exploited; H = heavily exploited; D = depleted; U = unknown.

The stocks of roundfish (including hake and angler fish) and flatfish are all at least fully exploited, many of them are heavily exploited, and some are approaching or already in a depleted state. In general, the state of the stocks has not improved and, in some cases, has deteriorated since the inception of the CFP. This is particularly the

case for cod and haddock in the North Sea and for whiting in the Irish Sea where serious concern is being expressed about the ability of these stocks to replenish themselves by recruitment. Figures 4 and 5 below show the decline in the biomass of the spawning stock of cod and haddock in the North Sea since 1983 to the lowest values on record in recent years. Since 1985, recruitment has also been poor in these stocks.

Graphs 4 and 5 : North Sea cod and haddock



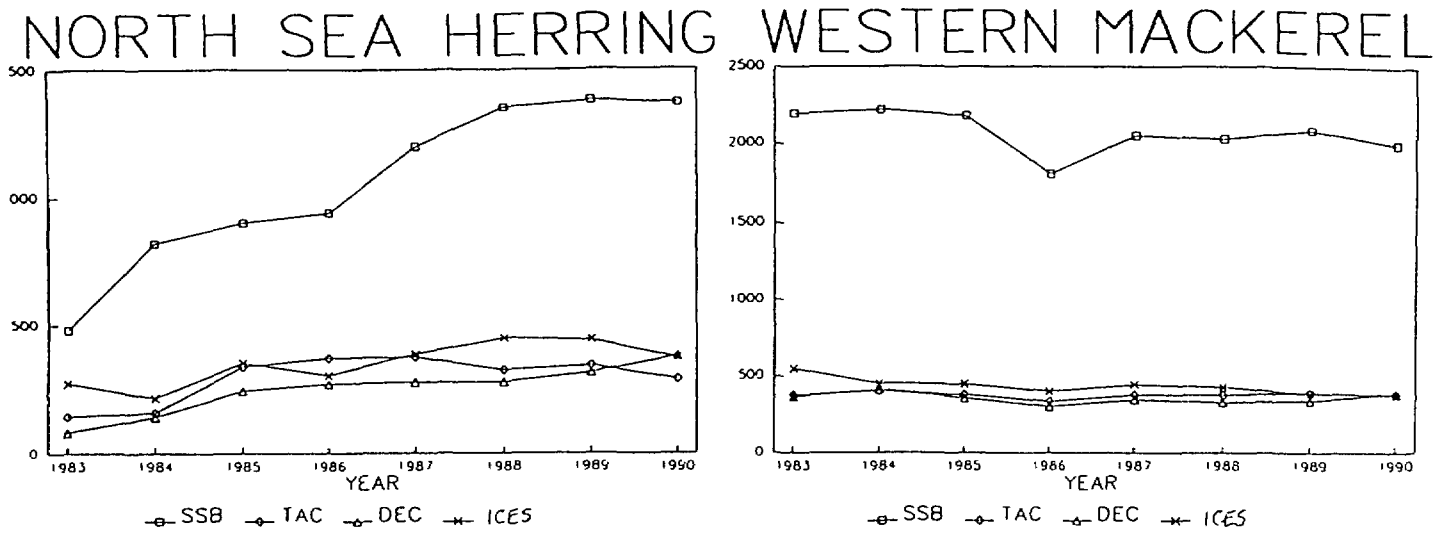
SSB = spawning stock biomass; TAC = EC share of total allowable catch; DEC = EC landings as declared to the Commission; ICES = EC landings as used by ICES working groups.

Herring stocks are generally fully exploited. There has been a considerable improvement in the state of most herring stocks compared to previous years. To give an example, North Sea herring spawning stocks biomass since 1983 is shown in Graph 6[37] below: it shows that there has been a considerable recovery in recent years from the very low levels of the mid 1970s. Landings have recovered in a similar fashion. This improvement followed the ban on directed fishing for North Sea herring in the late 1970s. During this ban many of the vessels formerly exploiting North Sea herring redirected their activities to the then lightly exploited western mackerel stock and have since continued to participate in this fishery. Because of this, the rate of exploitation of North Sea herring since 1983 has not returned to its former level. However, herring in IIIa, Baltic 22-24 remain heavily exploited. This stock is not at present, nor has it been, in a depleted state and there has been no requirement for the fishery to be banned, with consequent diversion of fishing activity.

37 See also Annex XIII-2.

The Western mackerel stock is at present fully exploited (Graph 7 below[38]), the North Sea mackerel stock has been in a severely depleted state for at least 20 years and the mackerel stock in VIIIc and IXa is thought to be heavily exploited.

Graphs 6 and 7 : North Sea herring and Western mackerel



SSB = spawning stock biomass; TAC = EC share of total allowable catch; DEC = EC landings as declared to the Commission; ICES = EC landings as used by ICES working groups.

With the exception of common prawn in French Guiana, which is moderately exploited, stocks of crustaceans are fully or heavily exploited.

The state of the other stocks ranges from lightly exploited (blue whiting) to depleted (capelin in I and IIb) and general statements cannot be made.

In the case of stocks subject to TACs but not referred to in Annex XIII-1 it is generally the case that they are at least fully exploited. This conclusion is based either on scientific evaluation or by consideration of the state of other adjacent or coexisting stocks or species of similar lifestyle.

3.2.1.2 Stocks not subject to TACs

It should not be forgotten that fisheries do not entirely depend on those stocks subject to TAC regulation. Annex XIII-3 allows comparison of the quantities landed of species subject to TACs with similar, non-TAC, species for the period 1985-88. Scientific evaluation of the status of some of these stocks exists. In particular, it appears that the tunas and tuna-like species are generally lightly or fully exploited. The state of many of the other stocks is, strictly speaking, unknown but, given the considerable amount of fishing activity of all types in Community waters and bearing in mind the lifestyle of many of the species, it is probable that they are at least fully exploited and most are probably heavily exploited.

38 See also Annex XIII-2.

In addition, the reduction in the size of stocks and hence of TACs, especially in the roundfish species in ICES zones IV, VI and VII has led to greater attention being paid to exploiting sspecies not subject to TACs. Consequently, it is likely that these species are being subjected to greater fishing pressure.

3.2.2 The likely evolution of the stocks

For those stocks which are currently fully exploited, the scientific advice is to maintain fishing mortality at the present level. Some increase in fishing mortality could be considered on lightly exploited stocks provided that the fishing activities employed to create such an increase had no deleterious effects on other stocks.

For the heavily exploited or depleted stocks, the scientific advice is that if the fishing mortality rate is permanently reduced on some or all age groups, average landings in the long term will be greater or no less than they would otherwise have been. Furthermore, it is the belief of fishery scientists that the risk of stock depletion and the consequent risk of collapse is reduced at lower mortality rates. Fishing mortality rate is related to the deployed capacity of the fleets and therefore to achieve a balance we need to reduce capacity.

Various measures intended to reduce or control fishing mortality rate are incorporated into regulations for technical conservation measures and TACs and quotas and into the multiannual guidance programmes. If these measures are correctly applied it is expected that the state of the stocks will improve. If not, the sustainability of fishing activities will become under threat.

3.3 Economic and social development in the coastal regions[39]

3.3.1 The relative importance of fishing

The importance of fishing has to be seen not merely in terms of its contribution to the gross domestic product, but above all in terms of its geographical concentration and the importance of the activities linked to it, for in most of the Member States the value of landings is less than 0.5% of GDP and fishermen account for less than 0.6% of jobs[40].

If we look at the coastal region and local economy level[41], the socioeconomic importance of fishing increases substantially, even if we restrict ourselves to the essential activities.

The relatively modest economic role of fishing must also be judged in the light of the economic importance of aquaculture, product

39 See Annex XIV for details.
40 See Annex XIV-2.
41 See Annex XIV.

processing and connected activities (the construction, maintenance and repair of fishing vessels and their gear; supplies and services to the vessels and aquaculture firms; management and maintenance of fishing ports and their facilities; packaging and marketing of fish and aquaculture products), even if it is impossible to isolate the fish-related element strictu sensu in the case of some of these activities. Other induced activities, multiplier effects and spinoff activities, such as tourism, must also be considered, although at this level trying to quantify the economic indicators becomes a risky affair.

The term 'fishing', limited to essential activities as mentioned above, covers a very varied range of activities, from traditional coastal fishing to deep-sea industrial fishing.

Some traditional coastal fishing is a localized primary activity, both in terms of production and in terms of marketing and consumption. It is often done part-time to supplement other traditional activities such as agriculture or tourism. It is above all an exploitation of a resource close at hand in poorly developed regions offering little or no other employment or income. Its disappearance, even partial, would destroy the delicate equilibrium of the regions concerned.

At the other extreme, highly industrialized and integrated fishing has primary (production), secondary (processing) and tertiary (distribution) elements. Sometimes it is very difficult to localize the activities : the fishing vessel's home port, the head office of the owner, the port of landing, the processing location, the distribution circuit and the marketing location can all claim to varying degrees to be the location of the economic activity.

If we look at the entire range of fishing and linked activities we have to note that there are two types of zone where fishing makes a significant contribution to maintaining the local socioeconomic fabric :

- firstly, there are the developed and industrialized zones, with diversified activities and large conurbations, where some of the fishermen are likely to be able to switch jobs in view of the theoretical potential of alternative activities;

- secondly, there are the less-developed, often rural zones, where the problem is a social one, quite possibly determining the survival or otherwise of the communities concerned, since fishing is the only activity possible for a large part of the workforce.

After selecting the economic indicators intended to characterize the type and degree of dependence of zones on fishing they must be quantified. To do this the Commission has launched a series of regional studies on the socioeconomic situation of zones dependent on fishing and aquaculture. Pending the results of these studies, a map

of the regions with preferential assistance rates, as defined in Regulation (EEC) No 4028/86, is attached as an annex[42].

As a general rule, a 'zone' should correspond to a 'catchment area' or 'travel-to-work area' for a port town. This level of disaggregation is needed in a developed and already industrialized environment. On the other hand, in an underdeveloped, predominantly rural environment, dispersion of the fishing activity throughout the zone makes identification of a pole impossible and the statistical level NUTS-III is probably more appropriate.

3.3.2 Influence of the common fisheries policy on social and economic development

The economic and social development of zones where fishing activities are carried out has been conditioned by various factors :

- The actual availability of external resources has been determined by fishing agreements with third countries. The overall contribution to production is difficult to assess because of the diversity of the agreements and the use made of them; however, it is estimated that it represents a quarter of all Community catches of products for human consumption. Such a proportion emphasizes the importance of such fishing activities for the social and economic development of certain zones.

- The management of internal resources through the system of quota fixing has produced very varied situations based on the ability of the fleets to adjust quickly to and exploit actual availabilities;

  the sometimes major fluctuations in the quotas have also had serious consequences in terms of economic effectiveness, some fisheries having been stopped prematurely because the quotas were exhausted too quickly.

- The substantial development of aquaculture[43] has made a major contribution to increasing supply. It has benefited economically disadvantaged regions, although in some cases the evolution of the market and the need to safeguard the environment have restricted economic growth.

- The scarcity of resources and reduction in catches have been offset to a certain degree by demand elasticity vis-à-vis prices; thus, for example, it is estimated that :

  - in Germany between 1983 and 1989 landings dropped by 34% in tonnage terms but income from them rose by nearly 7%;

  - between 1983 and 1991 the availability of cod (determined by the TACs) dropped by 50% while real prices increased by 31%;

42 See map, Annex XVI.
43 See Annex XVII.

for haddock availability dropped by 66% and real prices increased by 54%.

Nevertheless, the fact remains that this price-led compensation has above all favoured the primary sector. In addition, demand elasticity vis-à-vis prices, by definition restricted, cannot always compensate for a reduction in landings.

For the future the Community will have to implement sectoral restructuring by reducing fleet capacity much more drastically than in the past for certain segments of the fleet. The aim must be to rationalize the sector by eliminating excess production capacity so as to maximize profit from useful capacity. The medium-term economic impact on the entire sector can only be positive; on the other hand, the short-term socioeconomic consequences, particularly on individuals, may well be considerable.

For various reasons, accompanying socioeconomic measures have not as yet been implemented in the fisheries sector. In 1986 the Commission presented to the Council a proposal for a structural Regulation - to become Regulation (EEC) No 4028/86 - providing for the grant of premiums for cessation of activity but this element of the proposal was rejected by the Council. It should be noted that the drastic reduction in fleet capacity is a recent objective; the socioeconomic consequences to come will certainly be much more severe than in the past.

In socioeconomic terms fishermen have probably benefited very little from the opportunities offered by the reform of the structural Funds, for various, complex reasons such as the atavistic attachment to callings of the sea, cultural traditions, the stubborn refusal to reduce fishing capacities, the non-organized structure of the profession or the lack of information on opportunities offered at the Community level.

3.4 The economic result of resource management policy

Some of the allocation systems adopted at national level have not yet fully included all vessels fishing a given stock. Those vessels which are less strictly controlled may tend to increase their fishing effort in a tight quota situation, thus bringing forward the date on which a fishery has to be halted by the authorities, with negative effects for both the primary and the secondary sectors of the industries. Accompanying problems have included a perception of social inequality in some coastal communities, with part of the fleet economically active and the other part constrained to inactivity in port. However, for some Member States and for some species the quotas allocated have not set real constraints on primary productive activity as they have not been fully taken up.

For species where the quotas have set an upper limit to productive activity, Member States have increasingly used the device of quota exchange to provide some relief from the constraints of the initial allocations. This flexibility in the system has been particularly important where the economic value of specific fisheries to Member States has changed since the mid 1970s and where economic and social development would have been held back in the absence of the opportunity to exchange quotas.

In 1984 quota exchanges numbered some 46 separate transactions. By 1989 the number of voluntary transactions had increased to some 140, for a total of 94 000 tonnes.

For example, the local economies of Urk and Den Helder, which are important home ports for the Dutch beam-trawl fleet, have been affected by the increased fishing opportunities given by quota exchanges between the Netherlands and the United Kingdom. For 1989, the Netherlands transferred 2795 tonnes of eight different ICES Area VII species to the United Kingdom in exchange for 17 000 tonnes of plaice to allow an increase of some 30% in the Dutch plaice quota in the North Sea.

Indeed, the fishing opportunities forgone by each party to the exchange agreement may be of very little value because the fish would not have been caught anyway. The overall gain in such circumstances is equal to the gross gain in increased landed value together with the associated gains in enhanced economic activity onshore.

For some sectors of Member State fishing industries the TAC and quota system has only partially influenced the pace and direction of economic development. This is because some target species have either not been fully subject to the system (where TACs have been set but not generally divided into national quotas, e.g. horse mackerel) or have only been subject at the most to technical conservation measures, e.g. crab. In some Member States the aggregate contribution to landings value from non-quota species found in the Community's fishery zone has been significant, with certain coastal areas being particularly dependent on non-quota demersal, pelagic and shellfish landings.

In some Member States, fleet segments have expanded to take species in areas where national quotas were underutilized and to exploit non-quota species. This expansion, together with the responses of other segments to various fishing opportunities, has produced varied aggregate changes at Member State level in the number of vessels and fishermen. However, in association with capital modernization and replacement, partly funded from public sources, the changes have generally put upward pressure on the capacity and capital intensity of the fleet.

Another way of adapting to the constraints imposed by quotas has been fraud. A hidden economy has developed, producing a gap between the official economy and the real one which prejudices the decision-making process. In addition, it has created a degree of inequity at the expense of those segments of the fleet subject to the strictest controls.

Thus, some parts of the Member State fishing industries have experienced relatively little limitation on their economic and social development while other parts, particularly those using larger vessels and fishing species subject to TACs and quotas, have faced reduced production ceilings for many of their major target species. This has often led to temporary or permanent diversification into mainly non-quota fisheries to maintain economic viability. While private responses of this type have been rational in the context of ensuring business survival, external costs and consequent social conflict have sometimes been generated. Such conflict, particularly due to incompatibility between fishing gear and the nomadic behaviour of some

fishing vessels, has been evident in the fisheries for both quota and non-quota species. Other responses to ensure business survival have resulted in the generation of external costs in the form of discards and the development of a hidden fisheries economy which has affected the economic and social development of the coastal areas. Though increasing regulatory activity may have reduced private responses available to ensure business survival it is vital to ensure that social costs are maintained at a controllable level.

However, even if economic viability has been maintained in some segments, the question remains whether the imposed real costs of regulation have been outweighed by the derived benefits. Some of the major commercial stocks of roundfish and flatfish have not improved and, in certain cases, have deteriorated since 1983. In contrast, the private and social costs in the EC have been high, with production shortfalls and increased real production costs. Fishing businesses have predictably responded by, for example, technical improvements aimed at reducing the adverse economic effects of the control measures on their performance. This has contributed to the upward pressure on fleet capacity, with the result that many economic resources must now be wasted in enforced idleness or inefficient use, and potential longer-term production increases from many of the major stocks are necessarily sacrificed. Furthermore, negative effects have been experienced by other sectors of the industry in terms of higher costs and by consumers through higher prices.

Intrinsic limits

The problems with the present management system may be summed up as follows:

The TAC and quota system has provided fishermen with an incentive to expand their fishing capacity in order to obtain advantages in relation to other fishermen, with the result that total capacity has been maintained at a level well beyond what it is necessary to catch the TACs. The overcapacity is, in other words, a logical consequence of the system which cannot be alleviated by eliminating the overcapacity once and for all. The overcapacity is bound to reappear, hence the failure of previous plans to reduce the size of the EC fleet.

The chronic overcapacity has the economic consequence that the potential rent of the fishing resources is dissipated even if the TACs are respected. The economic rent forgone may be of the order of ECU 3 billion per year[44].

The present system of managing the fish resources also aggravates the problems of control, access for vessels and security of supply.

A fisherman who has an excess capacity clearly has a stronger incentive to break the rules than a fisherman who is operating at full capacity. The costs of enforcing compliance with the TACs is therefore higher under the present system than under an economic incentive system. The incentive for Member States to allocate resources to enforce the rules is also limited.

44 Estimated on the basis of 1989 landings values and a 40% overcapacity on average.

In order to maintain or restore traditional fishing possibilities as well as develop new fishing opportunities, measures for acquiring access to fish resources outside the EC have been recorded. The assessment of the economic rationale for such acquisitions which are not or only partly financed by the fishermen who receive them is also important.

The basic problem with the present system is that the private costs of fishing are lower than the social costs, because the fishermen have no incentive to take into account the costs imposed on other fishermen resulting from the depletion of the stock due to increased fishing effort.

A management system providing for more economic incentives where private costs of fishing are at a level similar to that of social costs could provide the solution to many of the problems which have been experienced in the past.

4. Conclusion

Despite the shortage of information, in particular reliable figures relating to fishing activities as a whole, and the resultant imperfect knowledge, the facts show that at the end of the first decade of the Common Policy for the Conservation and Management of Resources, the fisheries sector is characterized by overfishing, lower production and income than could have been obtained and the existence of a latent sectoral crisis.

4.1 Overfishing

All scientific and technical opinion is in agreement that taken as a whole, stocks are at risk owing to excess fishing mortality, mainly affecting juveniles — even though fishing is not solely responsible for this situation.

However, this overall picture has to be adjusted and assessed case by case taking into account the species, fisheries and regions concerned.

Stocks of round— and flatfish, representing about 35% of stocks subject to TACs, are fully exploited or heavily exploited; this means an appreciable reduction in landings, which restricts fishermen's income to a level lower than that which could be obtained.

4.2 A latent sectoral crisis

Fishing and aquaculture are first and foremost economic activities and certain socioeconomic parameters indicate the existence of a latent crisis in the sector.

Although the demand for high-value fish has been constant, resulting in a deferment of the crisis engendered by the appreciable drop in landings of traditional species and favouring the reorientation of activities and economic survival, demand elasticity vis-à-vis prices and new alternatives will not be able to make the situation permanent. With regard to aquaculture production, the existence and development of certain products is conditioned by the state of the markets and physical and environmental limitations. As with other sources of supply, the Community's large trade deficit is tending to increase.

Fishing is an activity that traditionally offers a low return on capital. This delicate balance is currently being undermined by overinvestment accompanied by a growing scarcity of raw material. As a result, overinvestment leads to overfishing.

The European fishing industry is extremely vulnerable in terms of jobs. The most modern fleets are engaged in fisheries where rates of activity

in general have to be reduced. Even though regulation of fishing vessels' activities can in some cases limit the reduction in catch capacity, job losses must be expected, and all the sooner as major technological advances are made. Other fisheries which have not been fully involved in the modernization process are facing another difficulty — low productivity. There is the risk that increased trade will quickly create competitiveness problems. This second type of problem is particularly serious since it affects regions which are highly dependent on fishing and where socioeconomic alternatives are rare.

With regard to regions, although coastal and island zones are generally involved in fishing and aquaculture activities, these activities are unevenly distributed, mainly on the basis of the location of fish stocks, the existence of suitable fish-farming sites, the importance of fishing traditions and the location of processing/marketing industries. The concentration of fish-related activities in specific regions or locations where fishing makes a significant contribution to maintaining the socio-economic fabric, creates a close dependence on fishing there.

4.3 Inadequate mechanisms and incomplete application

Despite our observation of the drawbacks of the management system based on TACs, quotas, technical measures and ancillary measures, the feeling at the time the CFP was implemented ruled out the acceptance of other tools such as licences and other control instruments. In addition, this system offers the advantage that it is easy to distribute fishing possibilities among the Member States and between the Community and third countries.

The Common Fisheries Policy as implemented during the period 1983—1990 has failed to prevent the current problems because of :

- an inefficient system of management of access to resources, based solely on the establishment of TACs and their allocation in the form of quotas, which has :
  - produced, in the absence of any real control over fishing capacity, a race in terms of vessels and catches, with inevitable discards at sea;
  - created a number of unwanted effects, such as the complexity of the scientific analysis in the face of the size of stocks subject to a TAC and the lack of correct knowledge of fishing activities, mainly because of the non-existence or inadequacy of controls and non-compliance with rules, particularly concerning zones, mesh sizes and catch restrictions;
  - not taken account of certain constraints, such as multi-species fisheries;
- the complexity and above all the scale of the surveillance and control mechanisms required by a resource management model based solely on catch limitation, and without the political will or

coercive measures at Community level to guarantee compliance with Community norms;

- the refusal to present the Common Fisheries Policy as the result of economic choices, in particular by compartmentalizing the measures in distinct, separate components and by giving priority to the biological approach;

- the lack of coherence between the CFP's various components, particularly the market organization and the structural policy, made worse by the lack of real sanctions against abnormal and/or illegal practices;

- the lack of attention to social parameters, due to the absence of a true social policy with instruments to organize the necessary restructuring (job cutbacks, alternative employment) while guaranteeing the future of the fishing industry (training).

The arguments given above militate in favour of :

- *a multidisciplinary approach, by means of a coherent, global CFP*
- *a substantial reduction in fishing capacity and the currently deployed fishing effort*[45]
- *a flexible and more realistic policy, taking into account :*
  - *the socioeconomic significance of fishing communities and the degree of dependence of the regions concerned*
  - *the need for rational regulation of access to resources*
- a greater degree of participation by the economic agents concerned, favouring a redistribution of responsibilities.
- economic and social cohesion.

If no mandatory decisions are taken to restructure the industry and significantly reduce fishing effort, with emphasis on the 'at risk' fisheries, the fishing sector and connected activities risk causing a real and irreparable tear in the socioeconomic fabric of the coastal and island regions heavily dependent on fishing.

Real political will must emerge at Community level to regulate access to common resources. Then a common fisheries policy can develop that will guarantee full exploitation of all living resources and the harmonious development of the various communities of fishermen. This political will must be demonstrated by decompartmentalizing the CFP and opening it up to other Community policies so that every constituent part of the fishing sector can be given due consideration.

45 Fishing effort is the sum of means deployed for catching fish in a defined area over a defined period of time.
The sum of means depends on :
(a) the number, size, tonnage, motive power and electronic equipment of the vessel(s);
(b) the type and characteristics of the fishing gear (e.g. mesh, size,...);
(c) activity of the vessel and breakdown by type (e.g. itinerary, effective fishing time, non-fishing time ...).

PART 2: GUIDELINES FOR THE COMMON FISHERIES POLICY 1993-2002

This part contains no formal proposals by the Commission but guidelines for the CFP for the period 1993-2000.

In the light of discussions that this report will give rise to in the various Community institutions, the Commission will make appropriate proposals for new rules.

Although the guidelines set out in this part are concerned mainly with the conservation and management of resources, other relevant aspects of the Common Fisheries Policy have been taken into consideration wherever appropriate.

5. Introduction

The years from 1993 to 2002 must be regarded not simply as a continuation of the period from 1983 to 1992 but rather as a preparation for the years to follow, when access to the Community's fishing areas will in principle be free. It is for this reason that operators in the fisheries sector must be told as soon as possible how the rules are likely to change.

To identify the areas where changes might be required, it is necessary to look first at the legal situation as it would be in certain key areas if no changes were made.

Principle of relative stability: the principle would be maintained after 2002 subject to possible adjustments to the allocation key adopted in 1983 and the specific limitations resulting from the Act of Accession of Spain and Portugal to be decided on the basis of this report and submitted before 1 January 2002[46].

Management system (TACs/quotas): any adjustments must take account of this report, the 1992 report (accession) and the report to be presented by 1 January 2002.

Shetland Box[47]: unless there is any adjustment on the basis of this report, the system would be maintained after 2002 because Article 7 of Regulation No 170/83 contains no time limit for its application.

Twelve-mile coastal limit: unless there is any adjustment on the basis of this report, the equal access conditions stipulated in Regulation No 101/76 would be restored after 2002, except if the Council decides otherwise[48].

Specific conditions in Act of Accession of Spain and Portugal: access rules to be reviewed on the basis of the 1992 report (accession) with

46 Articles 162 and 350 of the Act of Accession of Spain and Portugal – OJ No L 302, 15.11.1985, pp. 72 and 126 – and Article 8(3) of Regulation (EEC) No 170/83.

47 Boxing for species biologically sensitive because of their exploitation characteristics, involving in particular a system of licenses and a procedure for notifying entry and departure from zone (hail system).

48 OJ No L 20, 28.1.1976 and Court judgment of 10 July 1984 in case 63/83 – Regina v/ Kent Kirk, illustrating the practical consequences of free access to waters/resources.

effect from 1 January 1996 and equal access conditions laid down in Regulation (EEC) No 101/76 would also be restored after 2002[49].

While recognizing that the decisions of 25 January 1983 reflected a difficult political compromise, there can be no dispute that the CFP requires revision since, with its present limitations, it could not survive to 2002. This means that from 1992 the post-2002 situation must already be taken into account.

In the new circumstances a Community system of fishing effort limitation as now applied would be unworkable given the imbalance already existing between fishing capacity and available resources. Action will therefore have to be taken through a global policy which takes account of all factors deriving from the various aspects of the CFP.

5.1 Basic questions

The answers to the following basic questions will determine the future of the CFP:

- What should be the future of the principle of relative stability, given that it is a legal obligation which is subject in practice to the amendment of its quantitative reference basis (1983 allocation) in the light of biological, economic or political developments and given that the allocation must be non-discriminatory and fair[50]?

- What rules should be adopted for access to a common resource which is limited and inadequate?

- What level of fishing mortality can available resources sustain in view of the constant increases in pressure (estimated at about 2% per year) due to technological innovation and improvements in the efficiency of fishing gear and methods?

- In order to make sure that decisions are implemented is it not best to ensure transparency at the decision-making and implementation stages? Should not the Community strive in this direction by involving responsible bodies and the appropriate public authorities while developing Community methods of monitoring, surveillance and

49 OJ No L 20, 28.1.1976, p. 19.

50 The cases brought by Spain and Portugal in this area should induce the Court to define the room for manoeuvre available to the legislator. The Court has clearly set out the legal limits which the Treaty imposes on national powers as regards access to resources in practice. It has held that although, under the present system of national quotas, a Member State can require that vessels using its quota must have a genuine economic link with the Member State concerned, it cannot hinder the normal activity of such vessels nor lay down conditions of nationality or residence which are incompatible with Community law (judgments of 14 December 1989 in cases C-3/87 and C-216/87). More recently, in a dispute over flag rights, it ruled that although Member States retain competence for defining the conditions of access to their flag, they must also comply with Articles 7, 52 and 221 of the Treaty, which stipulate that grounds of nationality and residence (in another Member State) may not be cited for the refusal of registration (Cases C-221/89, C-93/89, C-246/89 - judgments of 25 July and 4 October 1991).

control to ensure that everyone complies with the rules? Why not try to make the individual and the collective interest coincide and set up a system which rewards good behaviour and punishes bad?

- What form of appropriation and allocation/distribution should be employed to achieve optimal exploitation of the available and accessible resources? How can economic losses be minimized in the short term given the general decline in landings and increasing economic inefficiency of the means of production? How can discards be avoided?

- Should there not be a fresh definition of the economic and social place of the fishing industry or a new map of fishing, with boundaries defined on the basis of existing rights and by the economic and social constraints attached to each fishery, bearing in mind that, in order to circumvent various legal and political anachronisms, economic operators have already developed techniques which enable them to overcome certain obstacles (quota hopping, advanced bases, etc.).

The Commission considers that, in most cases, the question of free access to a limited common resource must be resolved at present by a system of licenses to control fishing effort. After the phases of capacity adjustment and regulation of access to resources, a combination of public prerogatives (sole safeguards of the general interest) and free play of market forces (reflecting individual interests) is the best solution. In this context the idea of "entitlement" (*patrimonialisation*) must be looked into, in all its aspects.

The CFP must develop strategies and methods which take simultaneous account of the principle of subsidiarity, the need to readjust capacity to resources, social and economic imperatives and differences between fisheries. Instruments should be flexible enough to permit different economic, social and ecological approaches for the following types of fishing:

- coastal fishing, mainly within the 12-mile limit;

- fishing on the high seas, exclusively outside the 12-mile limit in Community or adjacent waters;

- distant-water fishing, solely or mainly in international waters or those under the jurisdiction or sovereignty of coastal non-member countries.

This will permit priority to be given to social considerations in the case of coastal fishing and the most economic approach in the other two cases, although in the case of distant fishing account must also be taken of criteria stemming from other Community and international policies.

5.2 Some basic principles

5.2.1. FREEDOM

One of the tasks which the Treaty lays down for the Community is the establishment of a common market and the promotion of harmonious development of economic activities throughout the Community. The main objective of the Single Act is to encourage completion of the single market. This objective, which is an essential precondition for economic development, necessitates the removal of physical, technical and other frontiers within the Community so that the various freedoms laid down in the Treaty, and especially freedom of establishment, are effective throughout its territory.

Once the effort/resources balance has been attained, the rules governing the common policy should involve fewer regulatory constraints and allow market forces to play a greater role.

Greater involvement of the various actors in the adoption, implementation and monitoring of standards is essential for the effective implementation of the Common Fisheries Policy.

5.2.2 SUBSIDIARITY

The principle of subsidiarity requires appropriate sharing of responsibility among the Community, the Member States, the regions and the fishery professionals.

The hierarchy of rules (clarified and simplified rules, national implementing measures, administrative provisions and Community intervention) must allow much of the work of implementation to be delegated to the various parties concerned (national, regional and professional authorities), giving them sufficient scope to choose the means and the methods used. Here the rule must be to optimize the degree of flexibility allowed to the various partners.

Each level should be responsible for what is most appropriate to it, although a higher level would be able to intervene if the lower one did not abide by the rules.

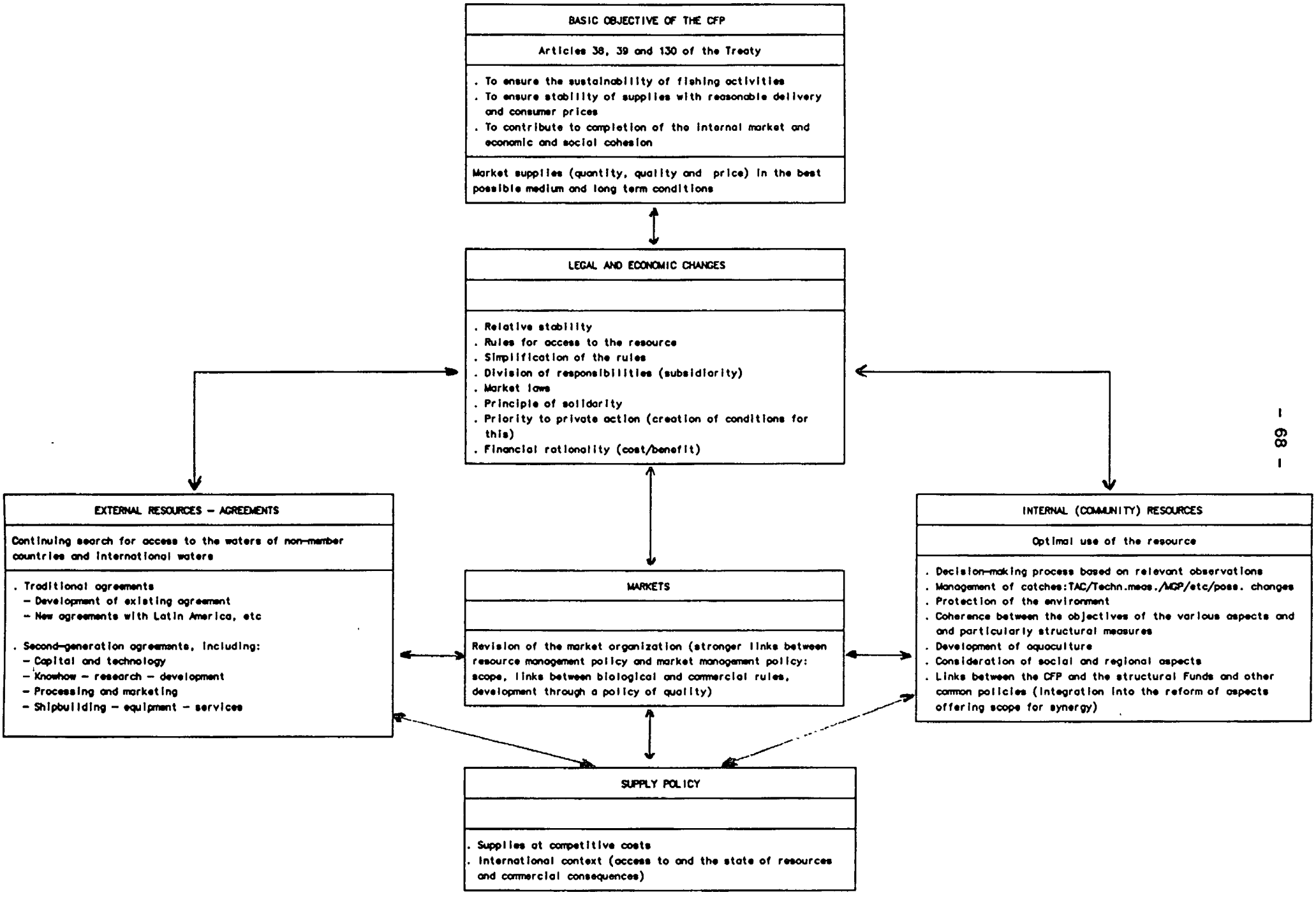
5.2.3 GLOBALITY

The Common Fisheries Policy must cover all aspects relating to aquatic organisms, the maritime and adjacent areas bordering on the Community's coastline (Baltic, Atlantic, Mediterranean), commercial and leisure activities and the people themselves.

The CFP covers the whole chain of the fishing and food fish processing industry: producers, processors, consumers and related activities both

upstream and downstream, whether in Community, third-country or international waters. There are also outside factors which affect fishing and fish-farming activities, including geographical location, climate, pollution and other users of the sea and adjacent areas. To safeguard the future of fishing and fish-farming, the CFP must be made an integral component of Community policy in general. The interests of fisheries and aquaculture must be taken into account in the management of the maritime and adjacent environment.

Priority in the overhaul of the current policy must be given to the management of internal resources. Closer interrelation between the management of internal and external resources, as well as market management, must also be sought. And the restructuring of the Community fleet must take account of the trend of resources while paying special attention to compensation for any social and economic disturbances. In order to ensure the coherence of these various arms of the policy, a system of monitoring must be developed and extended to all aspects.


BASIC OBJECTIVE OF THE CFP
Articles 38, 39 and 130 of the Treaty
. To ensure the sustainability of fishing activities
. To ensure stability of supplies with reasonable delivery and consumer prices
. To contribute to completion of the internal market and economic and social cohesion
Market supplies (quantity, quality and price) in the best possible medium and long term conditions
LEGAL AND ECONOMIC CHANGES
. Relative stability
. Rules for access to the resource
. Simplification of the rules
. Division of responsibilities (subsidiarity)
. Market laws
. Principle of solidarity
. Priority to private action (creation of conditions for this)
. Financial rationality (cost/benefit)
EXTERNAL RESOURCES – AGREEMENTS
Continuing search for access to the waters of non-member countries and international waters
. Traditional agreements
– Development of existing agreement
– New agreements with Latin America, etc
. Second-generation agreements, including:
– Capital and technology
– Knowhow – research – development
– Processing and marketing
– Shipbuilding – equipment – services
MARKETS
Revision of the market organization (stronger links between resource management policy and market management policy: scope, links between biological and commercial rules, development through a policy of quality)
INTERNAL (COMMUNITY) RESOURCES
Optimal use of the resource
. Decision-making process based on relevant observations
. Management of catches:TAC/Techn.meas./MCP/etc/poss. changes
. Protection of the environment
. Coherence between the objectives of the various aspects and and particularly structural measures
. Development of aquaculture
. Consideration of social and regional aspects
. Links between the CFP and the structural Funds and other common policies (integration into the reform of aspects offering scope for synergy)
SUPPLY POLICY
. Supplies at competitive costs
. International context (access to and the state of resources and commercial consequences)

5.3 The objectives of the CFP

The development of a policy starts from a definition of its aim and an attempt to strike a balance between the various objectives.

Article 39 of the Treaty defines the objectives of the Common Agricultural Policy, which, pursuant to Article 38, also apply to fisheries. They were defined in the light of the particularities of the farming sector, which in many ways differs from the fishing industry.

The goals of the CFP as laid down in the Treaty are thus as follows:

- to increase productivity by promoting technical progress and by ensuring the rational development of production and the optimum utilization of the factors of production, in particular labour;

- thus to ensure a fair standard of living for the community in particular by increasing the individual earnings;

- to stabilize markets;

- to assure the availability of supplies;

- to ensure that supplies reach consumers at reasonable prices.

To these objectives Articles 130a and 130r add the more general ones of strengthening economic and social cohesion, promoting coherence with other Community policies and the requirements of environmental protection.

In applying these objectives to the fisheries sector therefore due regard must be paid to the differences between fishing and farming, as provided indeed in Article 39(2) which states that account shall be taken of:

- the particular nature of (fisheries) activity, which results from the social structure of (fisheries) and from structural and natural disparities between the various (fisheries) regions;

- the need to effect the appropriate adjustments by degrees;

- the fact that in the Member States (fisheries) constitutes a sector closely linked with the economy as a whole.

In this sense, all the objectives for fisheries depend on the maintenance of resources as a prior condition. If resources decline as a result of poor management and conservation, increases in productivity, a fair standard living for those dependent on fishing, market stability, security of supply and reasonable prices for consumers cannot be attained.

This is the direct consequence of the basically economic nature of the fisheries sector. Each individual objective must therefore be pursued in a way which does not threaten the resource as the key component.

The natural limits on the availability of the resource constitute the main special characteristic of the fisheries sector.

Since balance has not yet been achieved between available and accessible resources and the means used to catch or rear them, the Community has to lay down guidelines and provide itself with the means of achieving this balance. Given the recent development of the fishing/fish processing sector and the Community context created by the Single Act, the objectives of the CFP must be revised so that the Community can develop a strategy which will permit it to move towards a more universal, coherent and better integrated policy.

It should aim towards:

- ensuring the sustainability of the fishing industry by making the necessary cuts in fishing effort, including fishing capacity;

- resolving the social problems created by the reduction in capacity;

- guaranteeing stable supplies at reasonable prices to the consumer;

- contributing to economic and social cohesion.

6. Today's objectives

6.1 *Sustainable fishing*

Experience has shown that, in the case of a common, limited and much sought-after resource, failure to regulate fishing activity is detrimental to all because stocks deteriorate and profits eventually collapse.

If the activity of the Community's fishing fleet is to be sustainable, it must also be viable. This will require attention principally to economic and technological factors, which always prevail, especially in an international context.

Viability can be ensured only in an environment conducive to the stable and rational exploitation of fisheries resources. This must include economic incentives for fishermen who respect rules which are in everybody's interest and deterrent penalties to prevent those who do not respect them from securing private gain. There can be no doubt that the necessary balance must be sought through regulation of access to resources, avoiding wherever possible the risk of conflict between vessels, gear and traditions, so that the socioeconomic stability of the industry is ensured.

This will have to be achieved in two phases. The first involves the establishment of a balance, chiefly through an appropriate management of fishing effort by the supervisory authorities, which must apply a system of regulation of access to resources (licenses). The second will concern the management of the balance so achieved.

6.2 *Solutions for social problems*

Reduction of the Community fleet capacity will inevitably entail restructuring, both of the fleet itself and of the economies of the areas dependent on fishing, which offer little or no alternative sources of production, employment or income. This means that restructuring will have a direct effect on employment, both among sailors and in related industries (shipbuilding, fitting out, services, etc.).

This will require a global approach which must:

- concentrate on fishing communities and regions which are at greatest risk;
- avert any undesirable side-effects;
- be limited in time.

In this context, socioeconomic accompanying measures must be envisaged in the next stage of the reform of the structural Funds, as expounded in the Commission Communication on the Common Fisheries Policy in 1990[51].

6.3 Stable supplies at reasonable prices to consumers

The drop in landings of fish for human consumption (particularly high-value fish) and the growth in demand have increased the Community's deficit in fishery products. Despite increased supplies from aquaculture, the development prospects of this form of production are limited and it will be unable to reduce the deficit significantly. This is one of the main reasons why fishing effort has been increasing, although demand can still not be met.

The situation must be tackled by developing:

- internal sources of supply (fishing and aquaculture) through full and rational utilization of available resources, especially by utilization of stocks which are at present under exploited or not exploited at all, improved treatment of catches and product quality;

- external sources of supply through greater access to the waters of non-member countries, principally via second-generation fishing agreements involving the transfer of capital, technology and knowhow, and to international waters;

- a trade policy more congruent with biological imperatives (state of the resource) and economic and social needs (processing industry, demand, etc.) while respecting the Community's various international commitments (GATT, etc.);

- a modern and competitive processing and marketing sector, specializing in high-value-added niche products.

Efforts to increase supplies must be backed by market stabilization measures to ensure reasonable prices for consumers and the balance essential to the socioeconomic viability of the entire industry, including producers, processors and wholesalers alike.

51 Page 4 of the Commission Communication to the Council and Parliament on the Common Fisheries Policy (SEC(90)2244 final - 30.11.1990).

6.4 The contribution to economic and social cohesion in the context of completion of the single market

The bulk of the fishing industry is concentrated in remote coastal and island regions where it accounts for a substantial proportion of jobs and incomes.

In order to improve economic and social cohesion pursuant to Article 130a of the Treaty these regions will require special attention and concentrated support from Community resources and instruments, according to their level of development and dependence on fishing.

The fact that the transition from a situation of overfishing to one of balance would seem to be in conflict with the objective of the economic and social development of regions dependent on fishing is a further reason why particular attention must be given to the task of restructuring the fisheries sector.

7. The decision-making process

The management of a common resource which is both limited and in great demand must involve the public authorities.

In addition to the nature of the resources, the conditions in which fishing is carried out, and the variety of fishing methods, the situation is further complicated by the Community dimension, which generates a complex and impressive system of regulation and policing.

If the Common Fisheries Policy is to succeed, it must be credible. Its credibility in turn requires that responsibility be allocated in accordance with the principle of subsidiarity, both at the level at which standards are laid down and that at which they are implemented.

In this context, the Community's role must normally be restricted to fixing the principles of regulation and allocation, and the Member States will be responsible for laying down appropriate procedures according to the particularities of their legal and administrative systems.

However, if action by the Member States proves insufficient, provision could be made for management and monitoring measures at Community level.

Decisions concerning fishing activities must be based on correct information (catches, fishing effort, prices, etc.) and relevant analyses.

The body of rules must be simplified to ensure transparency, which is vital if the rules are to be accepted by those subject to them. The rules must also include the means required for their proper implementation. In particular, decisions concerning fishing must provide for the necessary monitoring and surveillance, as well as the penalties to be applied at the appropriate levels.

8. Improvements to the Common Fisheries Policy

8.1 Regulation of access to resources

In view of the criticisms levelled against the CFP as applied over the past decade, and in order to facilitate its integration with other Community policies, the Commission considers it necessary to strengthen and adapt the present instruments, with particular emphasis on the regulation of access to resources. This is especially necessary in the run-up to 2003, the date from which the fishermen of the Member States will have free access to all Community waters.

By regulating access it should be possible to monitor and police fishing effort. This will entail management of both the input AND output on which fishing activities depend.

Such regulation will require coherent and binding planning, which alone can guarantee the success of the restructuring made necessary by the current fishing mortality level.

Planning must cover all the parameters which influence fishing mortality (measurable and verifiable factors) in order to achieve an accepted and acceptable balance between resources and deployed fishing effort.

It must be carried out:

- with due regard for the interests of the various partners;
- with minimum social and economic upheaval;
- with minimum impact on the marine ecosystem;
- with compensation for adverse social consequences, particularly through socioeconomic flanking measures;
- within a reasonable time limit, so as to avoid further aggravation of the situation which could prove irreversible.

8.2 The instruments of regulation

8.2.1 Management of input

Management of input must include consideration of and control over the following parameters:

- the profession;
- capital;
- fishing activities.

8.2.1.1 The profession

Access to the profession must be controlled and the requisite professional skill levels be ensured. The first condition means recognizing that the number of fishermen must be limited; the second condition means providing training which will improve the behaviour of fishermen as regards resources and markets. Parallel to this, the proposed standards for health and safety aboard ship will improve the fishermen's working conditions.

In addition, the fact that commercial fishing takes precedence over sport or recreational fishing should be made clear without causing conflict, with due respect for personal freedom. Account must be taken of all the interests at issue and the role of the various parties liable to exploit fisheries resources, with particular reference to the socioeconomic benefits of the various options for the local population.

8.2.1.2 Capital

Management of this input is certainly one of the main ways of controlling fishing effort.

The construction or modernization of fishing vessels for exploitation of a common resource must be subject to prior authorization, which may be granted only if it is compatible with the structural objectives corresponding to the availability of resources. This implies the introduction of flawless control and procedures for ensuring that no one can escape the system. Given the present overcapacity of the Community fleet in relation to available resources, such regulation must initially prohibit the construction and commissioning of vessels which are not recognized as justified by all the supervisory bodies responsible for managing fishing capacity, particularly in the case of shared fisheries.

In order to guarantee transparency and equal treatment of all fishermen, the principles governing conditions of access must be laid down at Community level. However, such principles must not deprive the Community fleet of the benefits of technical progress.

8.2.1.3 Fishing activities

In order to minimize the social and economic impact of restructuring, the principle of relative stability of fishing activities must be maintained, without however hampering any adjustments that must be made in response to changes since the current allocation key was introduced.

Because of the need to promote greater economic and social cohesion, account must be taken of the economic importance of fisheries at regional level. Free access to coastal waters can seriously harm the activities of fishermen who traditionally operate from local ports and could damage the social and economic fabric of the regions concerned. The system derogating from free access to the 12 mile zone should therefore be maintained.

Likewise, the present arrangements for the Shetland area must be maintained and the concept could be extended to other regions under the conditions of Article 7 of Regulation (EEC) No 170/83. Indeed, the box system offers a way of regulating access to resources which has not been fully utilized up to now.

Regulation of access to resources will inevitably rest mainly on the restriction of the fishing effort by zone and by fishery. The fishing effort takes account of parameters such as levels of activity, number, size, tonnage, engine power of vessels and equipment and the type and size of gear used. The only effective way of ensuring optimal management is to introduce a licensing system which would take account of all these parameters.

Such a system would supplement rather than replace the TAC and quota arrangements.

In addition, this system has the advantage of:

- being compatible with the management of inputs, particularly within the framework of the structural policy;

- being particularly suited to the management of special fisheries, such as those subject to derogation and certain boxes;

- being easy to monitor, particular by the location of vessels using new technologies.

8.2.2 Management of output

8.2.2.1 Catch limitation

A more flexible and realistic system of catch limitation is required.

The objective must be to improve the current system. The following adjustments could be considered:

- introduction of multiannual decision-making and multiannual and multispecies TACs, without dispensing entirely with the present management methods based on monospecies TACs and quotas, because:

  - given the interaction between species in multispecies fisheries, with the resulting composite nature of catches, the present system constitutes an inducement to discard;

  - in full awareness of this situation, scientists are gradually taking more account of the multispecies nature of fisheries and this should enable interacting species groups to be identified in the various fisheries. It is therefore imperative to draw up rules of equivalence for the TACs allocated for species in a particular group so that, in certain cases, fishing rights could be transferred from one species to another;

  - the possibility of decisions covering several years would not only simplify the fairly cumbersome TAC and quota fixing procedures but should enable Member States and fishermen to anticipate, in good time, the consequences of catch limiting measures.

- introduction of multiannual TACs, laid down in multiannual decisions, with TACs being set automatically on the basis of scientific advice, and with greater account being taken of social and economic factors by the Scientific and Technical Fisheries Committee (STFC). An overrun of the quota would automatically lead to a reduction in the remaining quota for the following year or years in conjunction with a penalty coefficient;

- introduction of multispecies TACs or individual TACs for target species. A transfer of rights would be possible within a species group, along with a system of transfer coefficients. At the same time, safeguards will have to be laid down, permitting suspension of fishing for a complete fishery (not just a single species), such as fishing for pelagic fish in a sector where a 'critical threshold' has been passed, for example in the case of biologically sensitive species;

- combination of multiannual and multispecies TACs to cover fisheries which are not currently managed using analytical TACs, in order to abolish certain precautionary TACs. However, precautionary TACs intended to prevent unjustified carryovers should be maintained;

- incentives for fishermen prepared to use more selective gear to achieve substantial reductions in discards at sea;

- rectification of certain allocation keys, while respecting overall balance, to take into account developments in fishing over the past ten years, in particular miniquotas;

- measures to encourage Member States to allocate, by consensus, their quotas in the form of licenses to fishermen's organizations (with the exception of a quantity reserved for fishermen who do not belong to an organization) which will take full responsibility for correct application of the quota rules and will encourage fishermen to change the composition of their landings to improve marketing returns;

- revision of the geographical definitions of certain stocks, taking account of changes in the state of the resources and in scientific thinking since the beginning of the 1980s;

- a study of the possibility of applying a system of individual quotas, with reference to the post-2002 situation.

8.2.2.2 Market/demand

Since the market is a decisive factor in the formation of producers' incomes, the Commission will make proposals for adapting the mechanisms of the market organization to the present economic context of the Community's fishing industry, without departing from the guidelines laid down by the budget authority. Account will be taken of the need to simplify certain procedures so that they are quicker and easier to follow.

The following are particular areas where close coordination is necessary between the different aspects of the CFP:

Resource policy:

- harmonization of minimum marketable and minimum biological sizes;
- implications of price policy for small sizes on resource management;
- role of producers' organizations in resource management.

Structural policy:

- supply of the processing industry;
- identification of sectors requiring support (marketing and processing) on the basis of market considerations (integral approach);
- promotion of fishery products on the basis of market demand (assessment of effects on Community production and imports);
- exploratory fishing for new species.

Research:

- development of new products and processing methods.

8.2.2.3 Quality policy

As the conditions of competition in modern economies have evolved competition based on innovation and quality is taking its place alongside price competition. Improving the quality of fisheries products, on board and ashore, may now be regarded, along with increased productivity, as an objective which can contribute to the profitability and competitiveness of the Community fishing industry at

both the production and processing stages. In addition, quality improvement helps to answer the increasingly pressing demands of consumers regarding the safety of foodstuffs. The development of a quality policy for fisheries products is in line with the general objectives of the common fisheries policy. Such a policy must, however, be coherent with the Community's general approach regarding food quality and with its international obligations.

The details of a quality policy will be the subject of a separate document to be presented to the Council shortly.

8.2.2.4 Trade policy

In compliance with the principle of Community preference, the Community must follow a balanced supply policy which takes account of the available resources and aquaculture production as well as substitute products which can be imported from non-member countries.

The Community must continue its international efforts to arrive at a trade policy which takes account of the finite nature of fisheries resources and therefore includes measures to restrict their exploitation.

Management of the customs tariff applicable to fisheries products is the cornerstone of this policy.

In this spirit, autonomous reductions should initially be consolidated. However, it is unrealistic to imagine that reductions in customs duties can be restricted to raw materials alone.

Furthermore, it would not be coherent to reduce customs protection unilaterally in the long term without obtaining any reciprocal concessions from third countries.

8.2.2.5 Aquaculture

In order to avoid repeating the shortcomings of the previous MGPs, the MGPs for 1992-1996 have been drawn up within a flexible and progressive framework based on the principles of subsidiarity and respect for market factors.

Priorities have been established, such as encouragement to define aquaculture development areas, and to make collective investments in infrastructure, where only the political authority can act effectively.

Individual projects will continue to receive assistance provided that they are fully covered by the MGPs for 1992-1996.

The purpose of the aquaculture MGPs for 1992-1996 then, is:

- to coordinate aquaculture operations and measures covered by programmes implemented by all of the Community structural policies;

- to give priority to the production of fish, shellfish and molluscs which should help to improve the trade balance in fishery products while averting distortions of international trade;

- to encourage diversification of production by means of pilot projects;

- to make financial allowances for compliance with legal obligations, such as new EEC health standards, specifying which financial instrument is best suited to assisting the corresponding investments;

- to encourage the maintenance or creation of employment in rural or coastal areas where fisheries and aquaculture are crucial determinants of the quality of life and the quality of the rural and coastal environment.

The development of aquaculture could be encouraged by strengthening the structural Funds; providing this activity with structural assistance would enable it to play a full role in the development of coastal areas, and in environmental and animal and public health policy.

This would further the integration of fisheries and aquaculture, as the latter must develop in harmony with the fishing industry.

8.2.2.6 Relations with third countries

The fisheries agreements concluded by the Community are intended not to be static but to develop in line with political and legal changes in the third countries concerned. Because of recent events in eastern Europe and the USSR, especially restoration of the sovereignty and independence of the Baltic states, the Community will be faced with new circumstances which may significantly alter the present balances in the fishing industry. Furthermore, certain third countries are planning, in accordance with the principles of the new law of the sea, to increase their fishing capacity.

Agreements renegotiated or concluded in the future will be tailored to the new situations. For instance, particularly as regards Latin America, the negotiating brief issued by the Council provides that, in addition to the traditional financial compensation, the creation of joint ventures should be encouraged, together, where appropriate, with the possibility of partial or total suspension of customs duties on certain products, in compliance with the Community's international obligations.

These "second generation" agreements will facilitate new forms of association to secure closer and more lasting cooperation with partners in third countries, particularly through the transfer of technology and

knowhow, the provision of capital and capital goods, vocational training, the development of distribution networks and strengthening of scientific and technical cooperation.

While placing greater emphasis on legal safeguards for Community operators, these agreements will also entail greater financial responsibility on the part of the Community shipowners concerned. In this spirit, it will be necessary to consider scrapping fisheries agreements of which very little use is made, after having fully assessed all the implications of such a decision.

8.2.3 Complementarity of input and output

8.2.3.1 Structure of fishing fleets

The structural policy conducted to date has not succeeded in restructuring fishing fleets and orienting fishing activity to improve the balance between capacity and available and accessible stocks.

According to the Gulland Report[52], an average cut of at least 40% should be envisaged in the fleet capacity throughout the Community.

In view of the scale of the cuts needed in order to meet the objective, the report recommends a two-stage approach to avoid economic and social problems.

Given the limitations of the two previous generations of MGPs, the Commission intends to introduce a certain number of innovations and adjustments in the MGPs for 1992-1996. In its Communication of 30 November 1990[53], it clearly stated its new approach, which is intended to achieve, gradually, a significant and genuine reduction in fleet reduction by:

- identifying fleets defined separately and linked to specific stocks exploited by them;

- including new parameters in the evaluation of fishing effort, such as fishing time, gear and detection methods.

When establishing cutback levels, therefore, the effects of technological progress and modernization, which account for about 2% of the annual increase in fishing effort, will also be taken into account.

By means of segmentation it will be possible to differentiate fishing effort reductions according to types of vessels, gear, areas, the state

52 Report by a group of independent experts dated 19 November 1990.

53 SEC(90) 2244 final.

of stocks in the different fisheries, etc. Additional measures will be proposed to strengthen the monitoring of capacity and fishing effort.

The fishing vessel register, already in place, will facilitate monitoring of the development of Community fishing capacity. The Commission is currently collaborating with the Member States to increase the reliability of the data which they are transmitting.

Lastly, a mid-term review will be made so that, without altering the overall cutback targets, biological and economic developments can be taken into account.

8.2.3.2 Structural measures

Because of the heavy geographical concentration of fishing, aquaculture and related activities, the social, economic and regional consequences will be very pronounced as soon as the latent crisis in the sector becomes a fact. The sector is in urgent need of restructuring, with renewed determination to reduce and control the expansion of capacity and fishing effort; the social and economic impact must be cushioned by accompanying social and regional measures.

In this context, the full integration of all the structural measures for fisheries and aquaculture in the reform of the structural Funds is vital in order to provide a coherent framework with all the advantages of synergy and complementarity.

8.2.3.3 Monitoring

Monitoring must cover the entire fisheries sector.

Overall, integrated monitoring must go beyond the conservation of resources to include technical conservation measures and the application of structural measures. Monitoring operations must also cover landings, transport to the place of sale or processing and application of the market rules.

If the CFP is to be viable, the current arrangements for monitoring the fishing activities of Community vessels in both Community and international waters must be improved.

The following improvements are fundamental:

- the Commission should have effective, autonomous powers to monitor the Member States, without prejudice to the exercise of present inspection powers at national level;

- the Community must have a system for monitoring the movements of certain fishing vessels, in order to inform the authorities concerned and to coordinate the information gathered;

- the surveillance of fishing activities should be substantially improved by the use of new technologies, particular satellites, to permit more efficient management of resources;

- compliance with rules protecting the common interest in the medium and long term should be ensured by deterrent penalties at Community level (penalty quotas, withdrawal of licenses, unfavourable financial measures, fines).

Improvements to monitoring arrangements will be dealt with in a separate document which will shortly be presented to the Council.

8.2.3.4 A greater research effort

To provide a scientific basis on which to implement the common fisheries policy it is essential to step up fisheries R&D in order to improve present biomathematical models. In addition, consultation and coordination must be increased between national scientific institutes, which constitute indispensable links in the chain.

To ensure optimal relevance of the analyses on which decisions must be based, a multidisciplinary approach should be encouraged, particularly in order to take account of the social, economic and environmental factors.

Scientific knowledge depends on the quality of information. Therefore, data on catches are needed instead of data on landings. In addition,all available information on external factors, such as climate, pollution and other activities, should be gathered.

Although there is often a lack of accurate biological data, the situation regarding economic data is even less satisfactory, particularly for the upstream and downstream activities. The social implications of any policy are difficult to assess without detailed information.

Greater institutional and budget resources will be needed in order to step up research[54].

54 The research programme for agriculture and agro-industry, including fisheries (part of the third framework programme for Community research), adopted by the Council on 9 September 1991 (OJ No L 265, 21.9.1991, p. 33), provides for ECU 333 million for the period from 1991 to 1994 with a view to securing a better match between production of land and water-based biological resources and their use by consumers and industry.

8.3 Financial incentives

The availability of financial resources for the Common Fisheries Policy depends on political will.

In view of the scale of sectoral restructuring envisaged for the Community fishing fleet, and coverage of the social and economic side-effects in regions which depend on fisheries, financial instruments must be adequate to the task. Integration of the CFP in the structural Funds and the other Community policies, together with a global and integrated approach to Community action should, through synergy, increase its effectiveness and coherence.

9. Conclusions

In preparing for the post-2002 period the Commission feels that the Community's main political objective for the fisheries sector over the next ten years must be to achieve a balance between fishing effort and the available and accessible resources. The Community must therefore:

- fine-tune the instruments at its disposal in order to regulate access to resources;

- delegate responsibility in accordance with the principle of subsidiarity;

- promote a responsible attitude in all the parties concerned, at all levels;

- monitor fishing more closely by introducing a licensing system, strengthening control mechanisms and deterrent penalties;

- improve the synergy between the management of internal and external resources, market management and other supply sources.

In view of the present imbalance, it is vital, initially:

- to reduce fishing capacity, by a more binding policy of structural planning, taking account of the different segments of the fleet;

- to offset adverse socioeconomic effects by appropriate accompanying measures;

- to reorientate fishing activities.

The success of this policy depends on political will so that, with the assurance of adequate financial resources and the cooperation of all involved, the fisheries sector will behave in a way consistent with the achievement of the European ideal.

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I. COMMUNITY INSTITUTIONS AND BODIES

1. COUNCIL

On 18 April 1991 the Council discussed the Commission's communication to the Council and Parliament on the common fisheries policy (SEC(90) 2244, November 1990).

2. PARLIAMENT

In addition to the Commission Vice-President's presentation of the Communication on the Common Fisheries Policy, Parliament has been involved in the debate on the outlook for fisheries in the context of three seminars organized for its benefit by the Commission:

* In Brussels on 21-22 June 1990, on

  - the conservation and management of fishery resources
  - monitoring
  - protection of the marine environment and the Mediterranean;

* In Arcachon (France) on 8-9 November 1990, on

  - structural policy

* In La Toja (Spain) on 20-21 June 1991, on

  - fisheries agreements
  - the Community's commercial and tariffs policy in the fishery products sector.

3. ECONOMIC AND SOCIAL COMMITTEE

At the Committee's plenary session on 26 September 1991, the Vice-President of the Commission presented the broad lines of the communication to the Council and Parliament on the Common Fisheries Policy. The Committee gave its opinion on the communication in document CES 814/91 final of 11 September 1991.

II. OTHER COMMUNITY BODIES

1. ADVISORY COMMITTEE ON FISHERIES

The Commission asked for the opinion of the Advisory Committee on Fisheries concerning the communication to the Council and Parliament on the Common Fisheries Policy.

The Committee gave an initial opinion on 8 May 1991 and an additional opinion on 13 September 1991.

2. "EUROPECHE" ASSOCIATION

On 15 October 1991, following the Commission's communication (SEC(90) 2244) and in view of the forthcoming "1991 report", the Association of National Organizations of Fishing Enterprises in the EEC presented a resolution on the position of "EUROPECHE" regarding the development and future of the Common Fisheries Policy (Document EP(91) 22 rev).

III. TALKS WITH NATIONAL AUTHORITIES AND PROFESSIONAL ORGANIZATIONS

1. VISITS BY THE DIRECTOR-GENERAL AND DIRECTORS OF DG XIV

During 1991 the Director-General and Directors met with the authorities of all the Member States as well as representatives of those working in the sector.

2. TASK FORCE "1991 REPORT"

Between February and July 1991, during the preparation of the "1991 Report", the Task Force met with all the national authorities and with representatives of the sector in order to find out their opinions on the outlook for fisheries.

IV. "EURAQUA 92" SYMPOSIUM

In May 1991, DG XIV organized the "Euraqua 92" Symposium in Brussels, where more than 200 European fish farmers, administrators and scientists met to debate the major problems in aquaculture.

V. ADDITIONAL CONTRIBUTIONS BY NATIONAL ADMINISTRATIONS, PROFESSIONAL ORGANIZATIONS AND SPECIALIST PRESS

1. On 30 May 1991 the Director-General sent all the national authorities a letter requesting additional contributions from the national authorities and/or professional organizations following the meetings between the "1991 Report" Task Force and the authorities/professional organizations of the Member States.

2. On 2 July 1991 the Director-General sent a letter to the directors of specialist publications in all the Member States asking them to prepare a dossier of all in-depth articles on a possible reform of the common fisheries policy.

DEVELOPMENT OF INTERNATIONAL LAW AND IMPLICATIONS FOR THE COMMUNITY

DEVELOPMENT OF INTERNATIONAL LAW ON EXPLOITATION OF THE LIVING RESOURCES OF THE SEA AND IMPLICATIONS FOR THE COMMUNITY

1. Since the second World War, fisheries resources have been managed internationally on the basis of regional cooperation and consensus (ICNAF 1949, NEAFC 1959) with a view to reducing overfishing and monitoring fishing activities.

   The failure of this system led certain coastal states to adopt unilateral management measures for their own zones, and even to extend them (territorial waters, fishing zones, "the cod war"). The belief, which was taken up by the 3rd United Nations Conference on the Law of the Sea, was that the only way to protect fish stocks was to "nationalize" them in an exclusive economic zone (EEZ) of up to 200 nautical miles, calculated from the baselines.

2. The United Nations Convention on the Law of the Sea (Montego Bay, 1982), signed by the Community on 7 December 1984, but not yet ratified by it, recognizes the sovereign rights and obligations of coastal states regarding exploitation of living resources in their EEZ, as well as recognizing certain rights and obligations of other states in those zones (cf. Articles 56, 58 and 61-73 of the Convention).

   Coastal states have sovereign rights within their EEZ for purposes of exploration, exploitation, conservation and management of living resources.

   Coastal states must fix the volume of allowable catches of the living resources in their EEZ. They must also take appropriate conservation and management measures, on the basis of available scientific data, to prevent over-exploitation of resources.

   Many such measures are designed to maintain or restore stocks of harvested species at levels which can produce the maximum sustainable yield, as qualified by relevant ecological and economic factors, including the economic needs of coastal fishing communities, taking account of fishing methods, interdependance of stocks and any generally recommended international minimum standards, whether regional or global. Coastal states must also ensure that these measures have no harmful effects on associated species.

Articles 62 to 68 of the Convention fix the objective of optimal utilization of the living resources in the exclusive economic zone. The means for achieving this objective are set out in unusual detail in Article 62. Coastal states adopt laws and regulations which they must notify, thereby adopting conservation and management measures determining their capacity to harvest living resources. Where their capacity is not sufficient to harvest the entire allowable catch, they must authorize other states to exploit those resources. Coastal states grant access to this surplus by means of agreements or other arrangements which can take a variety of forms: international agreements with third countries, the creation of joint ventures or the issue of licenses within the framework of private agreements. Nationals of other states must comply with the laws and regulations of the coastal state, which must be compatible with the Convention.

The Convention also provides for cooperation between coastal states and international organizations as well as cooperation between all the states concerned, if necessary by the creation of regional fisheries organizations, for the conservation of the resources of the high seas.

Extending the responsibility of the coastal states had immediate repercussions on the powers of the existing international organizations.

3. In the Resolution of The Hague[1] in 1976, the Council requested the Member States to introduce a 200-mile fishing zone off the North Atlantic coast as from 1 January 1977. This step was taken in line with the international practice of coastal states to establish EEZs. In view of the special situation of the Mediterranean, it was not judged appropriate to take similar steps in that area.

4. The creation by coastal states of 200-mile fishing zones is a decisive step for both coastal states and states whose vessels fish in distant waters. International law is likely to continue to develop, particularly as regards the management of stocks in the high seas and straddling stocks.

1 Council Resolution of 3 November 1976 on certain external aspects of the creation of a 200-mile fishing zone in the Community with effect from 1 January 1977, OJ C 105, 1.5.1981, p. 1.

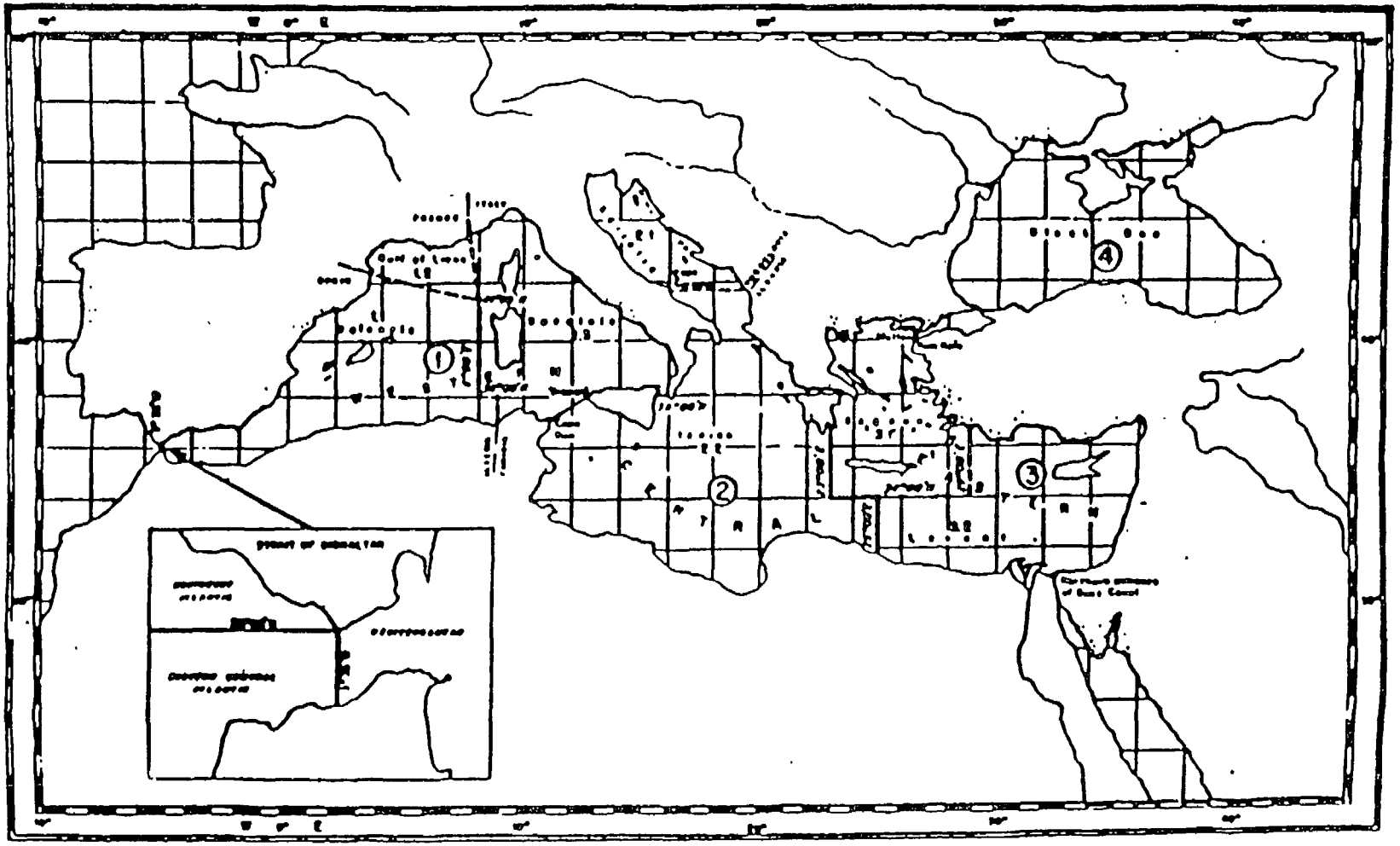
Henceforth, the Community, acting as a coastal state or as a state whose vessels fish in distant waters, and as sole fishing authority, is responsible for:

- management of fishing activities in its waters (internal aspect);
- the development of conditions of access to resources in certain international waters and in waters under the jurisdiction or sovereignty of coastal third countries (external aspect).

MAP OF THE MEDITERRANEAN

CHART
MEDITERRANEAN AND BLACK SEA (FISHING AREA 37 - GFCM)
GEOGRAPHICAL LIMITS OF SUBAREAS AND
DIVISIONS FOR STATISTICAL PURPOSES

CARTE
MÉDITERRANÉE ET MER NOIRE (ZONE DE PÊCHE 37 - COPM)
LIMITES GÉOGRAPHIQUES DES SOUS-ZONES ET
DIVISIONS À DES FINS STATISTIQUES



RELATIVE STABILITY IN PRACTICE

RELATIVE STABILITY IN PRACTICE

The principle of relative stability means the maintenance of a fixed percentage per stock for each Member State in the allocation of the resources available to the Community[1].

The Council took three factors into account when allocating these resources among the Member States in percentage terms: traditional fishing activities, the specific needs of regions heavily dependent on fishing (the Hague preferences) and loss of fishing opportunities in the waters of third countries. These criteria were applied not only to determine allocation within Community waters but also for the allocation of fishing opportunities in international waters subject to conservation measures and in the waters of certain third countries obtained under fisheries agreements, where they are subject to quotas.

The percentages were calculated on the basis of seven species: cod, haddock, saithe, whiting, plaice, mackerel and redfish. Subsequently the herring has replaced the redfish. In order to get an overall view, a combined calculation has been made for these species, expressed as cod equivalent, using coefficients expressing the value of each species in relation to the value of cod, accepted by the Member States at the time. At the start, therefore, each Member State had certain catch rights expressed as cod equivalents.

The principle of relative stability, which was initially based on the seven species mentioned above, is general in scope and applies to all the Community TACs.

However, certain Member States dispute certain aspects of the way the principle is applied for the allocation of both the internal and the external resources available to the Community of Twelve. Spain and Portugal have initiated proceedings before the Court with a view to the repeal of the Council Regulations allocating the Community's catch quotas in the waters of Greenland, the Faeroe Isles, Norway and Sweden among the Member States for 1990 and 1991. These cases are currently before the Court[2].

1 See the judgment of the Court of Justice of 16 June 1987, case 46/86, paragraph 17 of the legal grounds of the judgment.
2 Cases C-63/90, C-67/90, C-70/90, C-129/90-1, C-84/91, C-85/91, C-86/91, C-99/91 and C-151/91.

Ideally, the allocation keys used since the introduction of the Common Fisheries Policy should ensure relative stability in terms, for example, of the comparative production value in the different Member States. However, such an ideal situation is not necessarily desirable, for a number of reasons: diverging trends in TACs, discrepancies between landings and quotas (quota exchanges, underutilization of stocks, not to mention misreporting). Each year, four sets of figures are published for each Member State, corresponding to the combination of these dichotomies: quotas/landings, cod equivalents/value in ecus. A fifth figure can be added to these, namely the total value of the catches for all species and areas. These different figures are given, along with several ratios, for 1983, 1988 and 1989.

A glance at the table shows that there is a growing tendency towards under-utilization of quotas. It was minimal in 1983, and very strong in 1989. This development must be seen in the light of the increase in "paper" quotas. TACs, and therefore quotas, are not dwindling as rapidly as the stocks. The table also shows that the "panel" of seven species represents only part of the total catches, which varies from one Member State to another. Moreover, that part has been decreasing over the years, while the relative share of other species is growing, with the exception of Germany. This suggests that the original seven-species panel could be becoming less relevant. However, if we consider only those species, we can see that the allocation keys have not fully ensured relative stability in terms of cod equivalent (cf. UK/NL) even if the situation is more satisfactory in terms of ecus (extremes: F/UK). Landings of the seven species are more stable than the theoretical catch rights. Mechanisms other than that of protecting rights by means of keys also work in favour of relative stability. But if one examines trends in total catches, and not only catches of the seven basic species, these can be seen to be very disparate and not coherent with the panel (cf. Ireland).

		Cod equivalents for the 7 species (1)			Value in ECU million of the 7 species		Total value of landings in ECU million (2)	
		Quota 1	Landings 2	Ratio 2/1(x100)	Quota 3	Landings 4	5	Ratio 4/5(x100)
1983	BE	25630	26017	101.5	25	23	58	39.8
	DK	311364	307356	98.7	272	259	418	62.2
	DE	121691	90693	74.5	105	76	150	51.2
	FR	150457	157113	104.4	126	123	702	17.6
	IR	83552	78347	93.8	57	50	71	70.9
	NL	121112	157204	129.8	110	124	380	
	UK	527840	458437	86.9	426	369	477	77.4
TOTAL		1341646	1275167	95.0	1121	1024		
1988	BE	32307	24316	75.3	31	28	74	38.0
	DK	353914	333906	94.3	314	274	441	62.3
	DE	151269	64003	42.3	126	62	123	50.6
	FR	190757	154166	80.8	179	155	941	16.5
	IR	85572	83046	97.0	61	51	107	47.6
	NL	175982	183691	104.4	137	146	-	-
	UK	532904	426964	80.1	496	384	664	57.9
TOTAL		1522705	1270092	83.4	1344	1100		
1989	BE	30830	21644	70.2	27	22	78	28.2
	DK	328510	288186	87.7	276	232	454	51.1
	DE	137858	93144	67.6	107	75	138	54.3
	FR	177919	142512	80.1	169	140	948	14.8
	IR	98995	74145	74.9	72	47	111	42.3
	NL	179431	183116	102.1	122	123	-	-
	UK	449864	386272	85.9	417	354	622	56.9
TOTAL		1403407	1189019	84.7	1190	993		
RATIO 89/83	BE	120.3	83.2	69.2	108.1	97.2		
	DK	105.5	93.8	88.9	101.6	89.6		
	DE	113.3	102.7	90.7	101.8	98.1		
	FR	118.3	90.7	76.7	133.5	113.1		
	IR	118.5	94.6	79.9	126.5	94.3		
	NL	148.2	116.5	78.6	111.0	99.2		
	UK	85.2	84.3	98.9	98.1	96.1		
TOTAL		104.6	93.2	89.1	106.1	96.9		

(1) Cod, haddock, saithe, whiting, plaice, mackeral and herring.
(2) Ratio 1989/1983 taking account of inflation.

Official cod equivalent (Cod eq)

SPECIES	CODE	ECU82	EVQ82	ECU83	EVQ83	ECU84	EVQ84	ECU85	EVQ85	ECU86	EVQ86	ECU87	EVQ87	ECU88	EVQ88	ECU89	EVQ89	ECU90	EVQ90
COD	1	978	1,00	985	1,00	1084	1,00	1422	1,00	1383	1,00	1327	1,00	1344	1,00	1416	1,00	1723	1,00
HADDOCK	1	671	0,69	775	0,79	966	0,89	920	0,65	986	0,71	1203	0,91	1065	0,79	1272	0,90	1658	0,96
SAITHE	0,77	665	0,68	645	0,65	632	0,58	683	0,48	814	0,59	777	0,59	750	0,56	736	0,52	785	0,46
WHITING	0,86	669	0,68	694	0,70	734	0,68	840	0,59	878	0,63	902	0,68	843	0,63	941	0,66	1032	0,60
PLAICE	1	852	0,87	1059	1,08	996	0,92	1016	0,71	1085	0,78	1251	0,94	1142	0,85	920	0,65	1182	0,69
MACKEREL	0,3	186	0,19	200	0,20	180	0,17	199	0,14	200	0,14	191	0,14	197	0,15	207	0,15	208	0,12
REDFISH	0,87	744	0,76	766	0,78	814	0,75	1004	0,71	1013	0,73	1038	0,78	1049	0,78	1076	0,76	1211	0,70
HERRING	0,8	346	0,35	302	0,31	278	0,26	261	0,18	236	0,17	242	0,18	225	0,17	221	0,16	212	0,12
HAKE	3	2841	2,90	1572	1,60	2706	2,50	3842	2,70	3363	2,43	3485	2,63	3821	2,84	3595	2,54	3748	2,18
ANCHOVIES	0,5	610	0,62	780	0,79	979	0,90	1112	0,78	1619	1,17	2000	1,51	2146	1,60	1890	1,33	1655	0,96
SHRIMP	3	1190	1,22	1591	1,62	2126	1,96	1605	1,13	1890	1,37	1740	1,31	1991	1,48	2660	1,88	3610	2,10
LING	1	955	0,98	901	0,91	948	0,87	1107	0,78	1176	0,85	1235	0,93	1077	0,80	1173	0,83	1433	0,83
DOGFISH	0,5	498	0,51	517	0,52	477	0,44	405	0,28	477	0,34	446	0,34	485	0,36	498	0,35	607	0,35
CAPELIN	0,1																		
SALMON	11,7																		
FLATFISH	0,8																		
BLUE LING	1																		
TUSK	0,7																		
PORBEAGLE	1																		
BSK SHARK	1,8																		
OTHER SPP.	0,5																		
SPRAT	0,125																		
H. MACK.	0,1																		
NWAY POUT	0,1																		
BL. WHTNG.	0,125																		
SANDEEL	0,1																		
GR. HALBT.	0,8																		
HALIBUT	3,8																		

ECUxx : EEC price in the representative ports

EQVxx : Ratio between EEC price for the species in question and cod for the year in question

ARRANGEMENTS FOR THE MONITORING OF FISHING

1. Compliance with technical conservation measures

The Community rules fixing the TACs and quotas and laying down technical conservation measures (mesh sizes, bans on fishing in certain zones, etc.) are in themselves difficult to enforce given the extreme heterogeneity of the fishing industry, the size of the zones to be policed, the mobility of fishermen, the mixed nature of fisheries and the inevitable complexity of the legislation.

Fishermen often challenge the justification of conservation measures, and their combativeness is occasionally turned on the authorities responsible for applying them. In addition, fishermen are extremely sensitive about the uniform application of Community measures throughout the Community. Such uniform application is extremely difficult to achieve.

Compliance with TACs and quotas has on the whole been very limited. Scientific working groups have made estimates of real catches, independent of official figures, as they have been doing for several decades. Such estimates bring to light considerable discrepancies, of as much as 60%, between official and "real" catches. The problem is not restricted to certain stocks nor to a single region. It affects all sectors. It takes very varied forms: there are even cases of over-reporting. This happens when a Member State fears a reduction of its "future antecedents" if it declares catches which are too low. Over-reporting may also be linked to false certification of the origin of catches, whereby under-reporting for one stock is simultaneously balanced by over-reporting for another.

2. Catch recording and notification

Existing Community rules on the monitoring and recording of landings are not always applied with the stringency needed to ensure a full record of catches and their correct notification to the Commission. There are gaps in the monitoring of landings transported by lorry to the place of sale or processing plant or exported directly. In such cases, if no check is made on landings, the products vanish into the distribution network and their origin can no longer be traced.

3. Major weaknesses noted in the application of rules on monitoring

3.1 Intrinsic difficulties of enforcement

While monitoring poses considerable difficulties for the CFP, such difficulties must not be exaggerated; they are encountered in any policy of fisheries management. There is constant conflict between short-term individual interests and long-term collective ones. The immediate personal interest of the fisherman leads him to catch as many fish as possible, regardless of size, as long as they can be sold. The sum of these individual interests eventually leads to the classic problems of overexploitation and misexploitation.

Rules are needed to safeguard the long-term collective interest. The fisherman then has to decide between complying with the rules, thereby losing potential income, and doing what he perceives to be in his interest, by contemplating fraud. If there is a high probability of an inspection and a penalty, and if the penalty provides enough of a deterrent, the fisherman might, in theory, find it preferable to observe the law. This "objective" analysis is complex, and includes psychological and cultural factors. In the best case, the fisherman includes in his reasoning a personal concern for good conduct. In the worst case, fraud becomes an acceptable sport.

3.2 Lack of information on justification for conservation measures

In view of the objective limits of the system of monitoring and penalties, the subjective aspects of the issue of compliance with the rules are essential. The fisherman has no genetic propensity to defraud. If he accepts that a rule is justified, he will accept restrictions on his activities. Social pressure of the peer group can then play an important part in prompting compliance with the rules without it being necessary to set up a system of anonymous informers among fishermen.

3.3 Lack of a global approach to monitoring of the CFP

The scope of Regulation (EEC) No 2241/87 is restricted to monitoring compliance with rules concerning conservation of resources. Therefore compliance with the rules of the market organization and measures to implement the structural policy escape the surveillance of Community inspectors. The current situation is paradoxical: in a region where fishermen or their organizations fail systematically to comply with certain conservation measures, they still receive grants under the market rules or the structural policy, because there is no generalized monitoring of all aspects of the Common Fisheries Policy.

IMPORTS AND EXPORTS OF FISHERIES PRODUCTS (Human consumption) 1983 to 1990

IMPORTS AND EXPORTS OF FISHERIES PRODUCTS FOR HUMAN CONSUMPTION INTO AND OUT OF THE COMMUNITY (VOL. IN THOUSANDS OF TONNES AND VALUE IN ECU MILLION)

	1983		1984		1985		1986		1987		1988		1989		1990	
	Vol.	Val.	Vol.	Val.	Vol.	Val.	Vol.	Val.	Vol.	Val.	Vol.	Val.	Vol.	Val.	Vol.	Val.
Imports			1352	3188	1410	3576	1663	4145	1896	4782	2141	5384	2287	5814	2599	6433
Exports			649	907	713	1086	854	1228	791	1211	789	1169	888	1249	890	1204
Trade balance			-703	-2281	-697	-2490	-809	-2917	-1105	-3571	-1352	-4215	-1399	-4565	-1709	-5229

Remarks : IMPORT/EXPORT/BALANCE = 03 + 1604 + 1605 (= Edible Fish excl. pastas)
Aquaculture : source = FAO (1984-1988) and CEE (1989)
Import/Export : source = COMEXT 18.10.1991
1983 : not reliable in COMEXT
1984-1990 : All figures concern EUR-12

AVAILABILITY OF FISHERIES PRODUCTS FOR FOOD PURPOSES AVERAGE 1986-1988

Provisional food balance
Average 1986 - 1988

Member State	Availability for food purposes ('000 tonnes liveweight)	Population ('000)	Availability per head (kg/year)
Germany (*)	648 829	61 187	10.6
Belgium - Lux	187 432	10 249	18.3
Denmark	100 453	5 126	19.6
Spain	1 477 694	38 865	38.0
France	1 610 916	55 636	29.0
Greece	179 741	9 984	18.0
Ireland	62 508	3 541	17.7
Italy	1 132 143	57 348	19.7
Netherlands	118 572	14 661	8.1
Portugal	615 584	10 248	60.1
United Kingdom	1 098 417	57 117	19.2

Source : FAO Yearbook - Fisheries statistics
Products, 1989, vol. 69

(*) Not including former GDR Länder

TREND OF LANDINGS VALUE

Landings value (ECU million)

Member States	1983 demersal	1983 pelagic	1983 shellfish	1983 TOTAL	1988 demersal	1988 pelagic	1988 shellfish	1988 TOTAL	1989 demersal	1989 pelagic	1989 shellfish	1989 TOTAL
Belgium 1)	51 (88%)	2 (3%)	5 (9%)	58 (100%)	69 (93%)	< 1 (<1%)	5 (7%)	74 (100%)	72 (92%)	< 1 (<1%)	6 (8%)	78 (100%)
Denmark 1)	321f (77%)	61 (15%)	36 (9%)	418 (100%)	334f (76%)	63 (14%)	45 (10%)	441 (100%)	339f (75%)	61 (13%)	54 (12%)	454 (100%)
Germany 1)				150				123				138
Greece 1)				285				445				504
Spain 2)				1580a				1622a				1764a
France 1)				702				941				943
Ireland 1)	28 (39%)	28 (39%)	15 (22%)	71b (100%)	57 (53%)	30 (28%)	21 (19%)	107b (100%)	51 (47%)	31 (28%)	28 (26%)	111b (100%)
Italy 1)				865				1306				1252
Netherlands 3)												
Portugal 2)				239d				279				275
United Kingdom 1)	344e (72%)	46e (10%)	87e (18%)	477e (100%)	417e (63%)	50e (7%)	138e (20%)	664 (100%)	398e (64%)	46e (7%)	134e (21%)	622 (100%)

Sources : Various sources including Member States, OECD

1) landings by national vessels in domestic and foreign ports
2) landings by national vessels in domestic ports
3) not available
a) for direct consumption – 1986 figures for 1983
b) excluding oysters, mussels and salmon
c) excluding landings from North and South Atlantic Waters and catches from COPACE Waters except Moroccan and Mauritanian waters
d) 1987 figures for 1983
e) landings by UK vessels in domestic ports
f) including most industrial landings except horse mackerel

PROCESSING INDUSTRY
1989

Processing industry 1989

Member State	No.of plants /enterprises	Workers
Belgium	82a	1182a
Denmark	419	13492
of which Bornholm	16	1100
Germany	172	23683
of which new Länder	4	1871
Greece	< 100	2500
Spain	396	14740
France	250	6000
Ireland	92	3400
Italy	251	4820
Netherlands	454b	7000b
Portugal	191	11900
United Kingdom	880	21000

Source : Studies commissioned by the Commission of the EC

a) 1987
b) 1988

WORLD CATCHES BY MAIN PRODUCERS FROM 1987 TO 1989

WORLD CATCHES BY MAIN PRODUCERS

(in tonnes)

Countries or zones	1987	1988	1989
USSR	11 159 617	11 332 101	11 310 091
China	9 346 222	10 358 678	11 219 994
Japan	11 848 582	11 967 051	11 174 464
E E C 12	6 788 194	7 179 946	6 948 330
Peru	4 584 261	6 637 956	6 832 465
Chile	4 814 641	5 209 883	6 454 142
USA	5 986 120	5 936 618	5 744 318
India	2 907 775	3 126 365	3 618 919
Korea (Rep.)	2 876 367	2 726 732	2 832 431
Thailand	2 779 091	2 822 482	2 822 530
Indonesia	2 584 970	2 703 260	2 700 000
Philippines	1 988 718	2 010 363	2 098 787
Denmark	1 706 383	1 971 834	1 927 493
Norway	1 949 453	1 839 884	1 899 941
Korea (D.P. Rep.)	1 700 252	1 700 002	1 700 100
Canada	1 562 266	1 597 053	1 554 233
Iceland	1 632 666	1 759 484	1 504 771
Mexico	1 419 187	1 372 145	1 416 784
Spain	1 393 362	1 430 000	1 370 000
France	846 008	883 473	875 839
United Kingdom	665 046	937 066	822 953
Italy	560 472	576 727	550 964
Netherlands	446 138	398 834	421 613
Portugal	389 603	346 677	331 795
Ireland	250 682	255 725	243 000
FRG	201 837	209 458	233 952

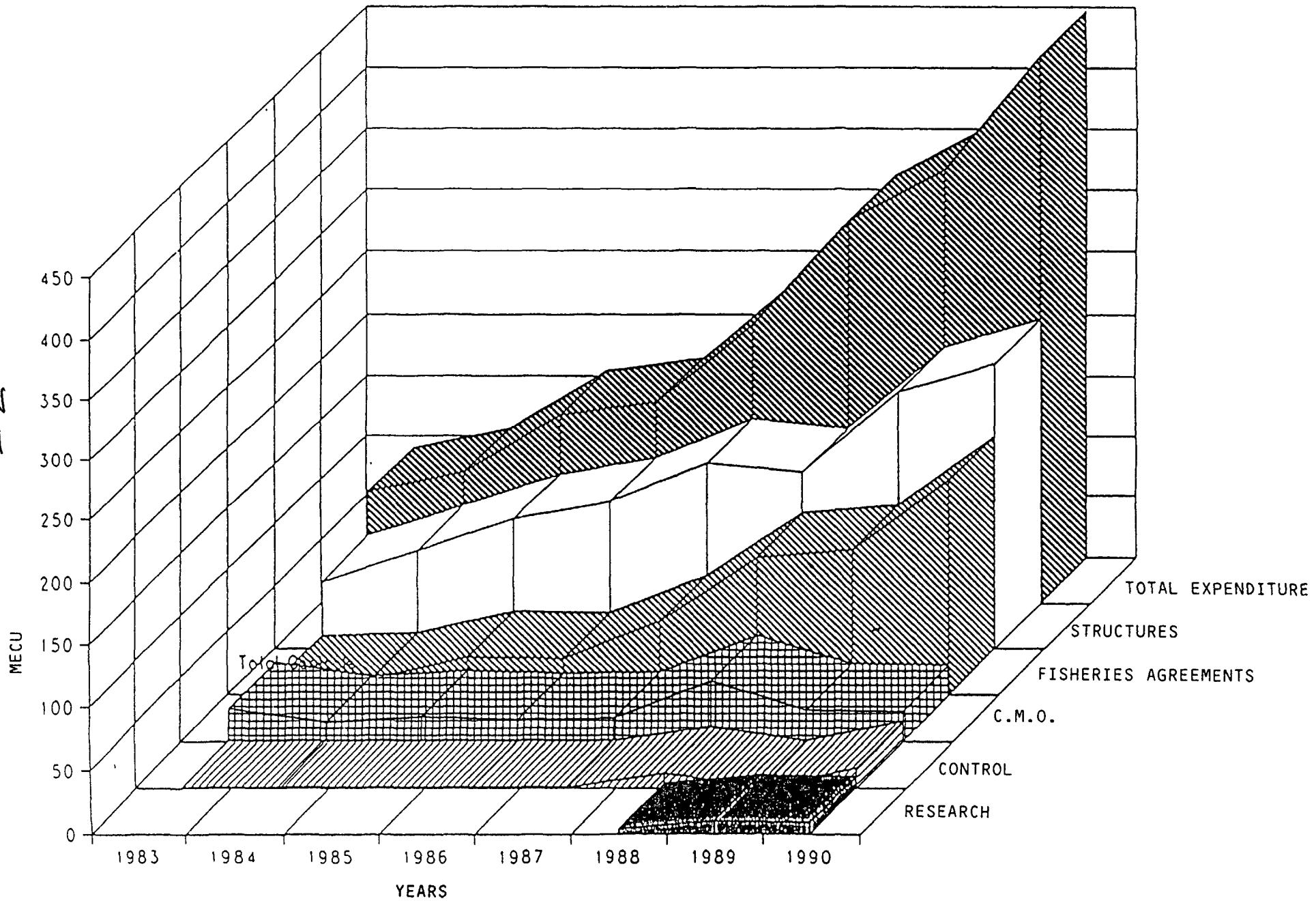
Source : FAO Yearbook - Fisheries statistics - Catches and landings, 1989, Vol. 68.

TREND OF FISHERIES BUDGET

TREND OF EEC (COMMITMENT) APPROPRIATIONS FOR FISHERIES DURING THE PERIOD 1983-1990 (ECU MILLION)

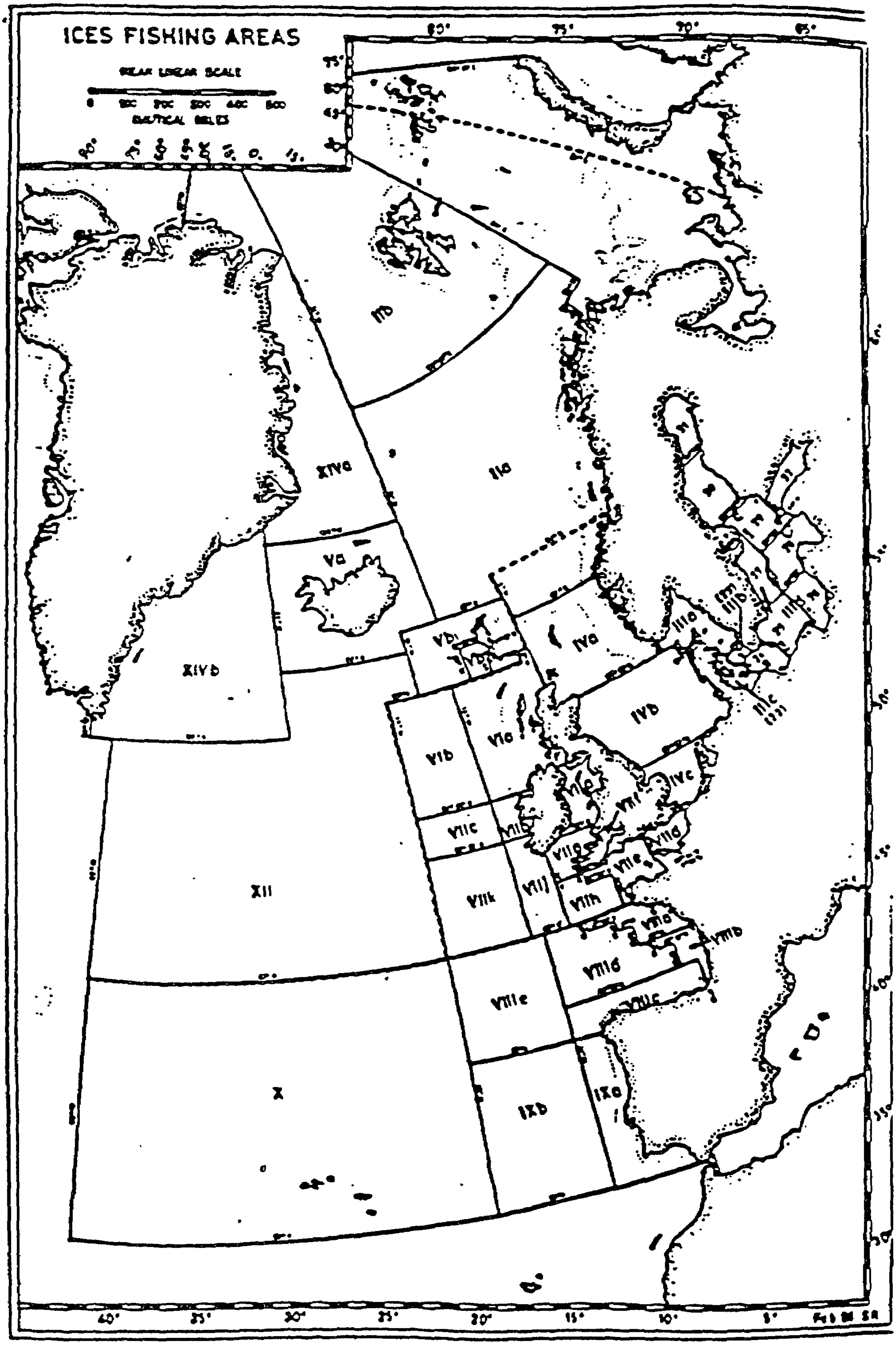
	EEC 10			EEC 12					TOTAL
	1983	1984	1985	1986	1987	1988	1989	1990	1983-90
COM									
.Refunds	8.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.30
.Interventions	17.15	14.54	18.41	17.23	17.38	47.05	23.93	23.60	179.30
.Aid to POs	0.00	0.05	0.06	0.00	0.07	0.21	0.03	0.01	0.42
TOTAL COM	25.45	14.59	18.46	17.23	17.45	47.26	23.96	23.61	188.02
Monitoring & Surveillance									
.Monitoring	0.30	0.30	0.30	0.30	0.50	0.50	1.00	1.00	4.20
.Surveillance						10.50		14.80	25.30
TOTAL MONITOR.	0.30	0.30	0.30	0.30	0.50	11.00	1.00	15.80	29.50
Structures									
.Building	21.30	39.10	46.80	38.70	64.00	8.70	63.50	44.20	326.30
.Modernization	7.00	10.40	15.20	18.00	9.20	19.30	20.30	26.20	125.60
.Adjustment of capacity	6.85	6.85	6.85	6.85	26.20	31.20	25.70	49.80	160.30
.Other	0.00	0.00	2.30	3.90	1.90	16.80	14.60	13.00	52.50
SUBTOTAL FLEET	35.15	56.35	71.15	67.45	101.30	76.00	124.10	133.20	664.70
.Aqua./artif-icial reefs	4.80	10.30	8.50	20.40	24.20	40.00	37.70	47.50	193.40
.Processing/ marketing	13.60	11.80	24.70	30.10	25.80	27.20	48.70	52.00	233.90
TOTAL STRUCTURES	53.55	78.45	104.35	117.95	151.30	143.20	210.50	232.70	1092.00
Conservation .Biological studies	0.60	0.60	1.30	0.80	0.50	0.80	1.00	1.10	6.70
Research						3.50	10.00	9.50	23.00
Fisheries agreements	10.10	12.90	29.50	29.10	59.10	110.30	116.70	173.10	540.80
TOTAL	90.00	106.84	153.91	165.38	228.85	312.56	353.16	446.31	1857.02

EVOLUTION OF EEC EXPENDITURE ON FISHERIES
1983 -1990 (MECU)



ANNEX XI-2

ICES DIVISIONS


ICES FISHING AREAS
XIVa
XIVb
Va
Vb
IIa
IVa
IVb
IVc
VIa
VIb
VIIc
VIIk
VIIj
VIIh
VIIe
VIId
VIIIa
VIIIb
VIIIc
VIIId
VIIIe
IXa
IXb
X
XII
IIIa

STATE OF STOCKS AND TRENDS FOR CERTAIN STOCKS OR GROUPS OF STOCKS

State of the stocks

SPECIES	STOCK	STATUS	TAC91	ASS
Herring	IIIa, Baltic 22-24	3	52730	1
Herring	IIa, IV	2	245350	1
Herring	VIa North	1/2	55140	1
Herring	VIa Clyde	1/2	2900	1
Herring	VIa South, VIIb,c	1/2	27500	2
Herring	VIIa (Irish Sea)	1/2	6000	1
Herring	Celtic Sea, VIIj	2	22000	2
Sprat	IIIa	4	32900	2
Sprat	Baltic 22-32	1	23500	2
Sprat	IIa, IV	F	49000	2
Sprat	VIId, e	U	12000	3
Anchovy	VIII	F	30000	2
Anchovy	IX	U	9000	3
Atl. Salmon	Baltic 24-31	4	710	2
Capelin	I, IIb	4		1
Cod	I, IIb	3	7440	1
Cod	IIIa Skagerrak	3/4	12375	1
Cod	IIIa Kattegat	3/4	4010	1
Cod	Baltic 22-24	3/4	59260	1
Cod	IIa, IV	3/4	93570	1
Cod	Vb, VI	3	16000	1
Cod	VIIa	3/4	10000	1
Cod	VII except VIIa	3	22000	3/2
Haddock	IIIa	3/4	3970	3
Haddock	IIa, IV	3/4	41700	1
Haddock	Vb, VI	3/4	15200	1
Haddock	VII, VIII	U/3*	6000	3
Saithe	IIa, III, IV	3	70000	1
Saithe	Vb, VI	3	22000	1
Saithe	VII, VIII	U	14000	3
Pollack	Vb, VI	U	1100	3
Pollack	VII	U	14000	3
Pollack	VIIIa, b	U	2600	3
Norway pout	IIa, IIIa, IV	3	171000	2
Blue Whiting	IIa, IIIa, IV, Vb, VI, VII	1	183000	1
Blue Whiting	VIII, IXa	U	77500	2
Whiting	IIIa	U/3*	15080	3
Whiting	IIa, IV	3	64480	1
Whiting	Vb, VI	3	9000	1

SPECIES	STOCK	STATUS	TAC91	ASS
Whiting	VIIa	3/4	10000	1
Whiting	VII except VIIa	3	24000	3/2
Whiting	VIII	U	5000	3
Whiting	IX	U	2640	3
Hake	IIa,IIIa,IV,Vb,VI,VII,VIIIab	3	66000	2
Hake	VIIIc, IXa	3	18000	2
Horse mack.	IIa,IIIa,IV,Vb,VI,VII,VIIIab	1	223000	1/2
Horse mack.	VIIIc, IXa	3	73000	2
Mackerel	IIa,IIIa,IV,Vb,VI,VII,VIIIab	2	363310	1
Mackerel	VIIIc, IXa	U/3*	36570	3
Plaice	IIIa Skagerrak	3	9300	2
Plaice	IIIa Kattegat	3/4	1800	1
Plaice	IIa, IV	3	171900	1
Plaice	Vb, VI	U/3*	2400	3
Plaice	VIIa	3	4500	1
Plaice	VIId, e	U	10700	1/2
Plaice	VIIf, g	2	1900	1
Plaice	VIIh, j, k	U/3*	1150	3
Common sole	IIIa	3	1000	2
Common sole	IIa, IV	3	27000	1
Common sole	VIIa	2	1500	1
Common sole	VIId	3	3850	1
Common sole	VIIe	3	800	1
Common sole	VIIf, g	3	1200	1
Common sole	VIIh, j, k	3	720	3
Common sole	VIIIa, b	3	5300	2
Common sole	VIIIc, IXa	U	2000	3
Megrim	Vb, VI	2/3	4840	2
Megrim	VII, VIIIa, b	2	18100	2
Megrim	VIIIc, IXa	2	14300	2
Anglerfish	Vb, VI	3	8600	2
Anglerfish	VII, VIIIa, b	3	44090	2
Anglerfish	VIIIc, IXa	3	12000	2
Common prawn	French Guiana	1/2	4000	2
Pandalus	IIIa Skagerrak	2	3135	1
Nephrops	Vb, VI	2	13500	2
Nephrops	VII	2/3	19000	2
Nephrops	VIIIa, b	3	6500	2
Nephrops	IXa	3	3000	2

STATUS : 1.-lightly exploited; 2.-fully exploited; 3.-heavily exploited; 4.-risk of depletion; F.-fluctuating; U.-unknown; U/3*;-unknown, but presumed overexploited

ASS (quality of the assessment) : 1.-good analytical assessment; 2.-medium quality information; 3.-little or nothing known

EVOLUTION OF SELECTED AND REPRESENTATIVE EC FISHERIES

		1983	1984	1985	1986	1987	1988	1989	1990
NORTH SEA COD	SSB	135	116	107	97	89	84	85	87
	F	0.89	0.85	0.82	0.86	0.86	0.86	0.83	0.83*
	TAC	224	208	229	161	158	151	119	98
	DEC	224	188	183	151	162	136	109	91
	ICES	230	190	181	152	161	134	107	90
NORTH SEA HADDOCK	SSB	241	190	231	213	100	149	122	86
	F	0.94	0.99	0.93	1.05	1.00	1.05	0.95	0.95*
	TAC	140	139	166	195	130	165	63	42
	DEC	154	123	160	162	106	101	62	41
	ICES	159	128	163	160	105	103	62	41
NORTH SEA HERRING	SSB	480	822	902	939	1192	1348	1376	1365
	F	0.33	0.42	0.60	0.51	0.49	0.46	0.44	0.33
	TAC	145	159	337	369	374	325	343	290
	DEC	83	143	244	269	277	279	315	379
	ICES	273	217	353	302	385	449	444	373
WESTERN MACKEREL	SSB	2193	2218	2178	1807	2050	2028	2082	1990
	F	0.21	0.20	0.21	0.22	0.23	0.28	0.25	0.28
	TAC	375	400	375	334	372	372	386	379
	DEC	360	407	354	300	343	327	337	379
	ICES	545	447	444	399	440	425	383	372

LANDINGS OF NON TAC SPECIES (ICES)	DEMERS	174	161	218	213
	PELAGIC	262	224	192	196
	TUNAS	32	34	40	41
	SHARKS + RAYS	79	77	84	74
	CRUSTACEA	66	58	64	59
	MOLLUSCS	400	348	418	411
	INDUST. SPEC.	638	883	638	835
	TOTAL NON TAC	1651	1785	1654	1829
LANDINGS OF TAC SPECIES (ICES)	DEMERS	1252	1148	1115	941
	PELAGIC	1144	1095	1179	1099
	TUNAS	-	-	-	-
	SHARKS + RAYS	-	-	-	-
	CRUSTACEA	62	56	64	57
	MOLLUSCS	-	-	-	-
	INDUST. SPEC.	497	456	495	531
	TOTAL TAC	2955	2755	2853	2628

SSB : Spawning stock biomass; F : fishing mortality; TAC : EC share of total allowable catch; DEC : EC landings as reported to the Commission; ICES : EC landings as used by ICES work. groups; * : assumed or predicted.

Landings ('000 t) by EC Member States 1985-1988 as officially reported to ICES

Year : 1985	ICES Division																	
	III		IV		V		VI		VII		VIII		IX		Total	
Species Group	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC
Demersal finfish	199	18	679	32	2	9	112	29	155	34	71	24	34	28	1252	174
Pelagic finfish	133	1	349	0	5	–	436	0	115	8	62	46	44	207	1144	262
Tunas	–	–	–	0	–	–	–	–	–	0	–	17	–	15	–	32
Sharks + Rays	–	1	–	11	–	0	–	17	–	39	–	6	–	5	–	79
Crustacea	7	4	14	24	–	–	12	4	16	25	9	8	4	1	62	66
Molluscs (*)	–	14	–	120	–	–	–	12	–	96	–	49	–	109	–	400
Industrial Spp.	187	14	231	605	6	–	29	19	16	0	18	0	10	–	497	638
Total	526	52	1273	792	13	9	589	81	302	202	160	150	92	365	2955	1651

Year : 1986	ICES Division																	
	III		IV		V		VI		VII		VIII		IX		Total	
Species Group	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC
Demersal finfish	172	17	625	24	2	10	99	24	154	42	64	25	32	19	1148	161
Pelagic finfish	130	1	314	0	4	–	342	0	180	9	59	57	66	157	1095	224
Tunas	–	–	–	0	–	–	–	–	–	0	–	25	–	9	–	34
Sharks + Rays	–	1	–	9	–	0	–	12	–	42	–	8	–	5	–	77
Crustacea	7	1	14	24	–	–	11	4	16	21	5	7	3	1	56	58
Molluscs (*)	–	16	–	150	–	–	–	15	–	111	–	21	–	35	–	348
Industrial Spp.	138	80	223	779	2	–	40	24	15	0	19	0	19	–	456	883
Total	447	116	1176	986	8	10	492	79	365	225	147	143	120	226	2755	1785

Year : 1987	ICES Division																	
	III		IV		V		VI		VII		VIII		IX		Total	
Species Group	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC
Demersal finfish	165	16	573	72	2	9	120	27	164	46	59	24	32	24	1115	218
Pelagic finfish	130	1	343	0	3	–	401	0	168	5	70	52	64	134	1179	192
Tunas	–	–	–	–	–	–	–	–	–	1	–	29	–	10	–	40
Sharks + Rays	–	1	–	12	–	0	–	13	–	48	–	8	–	7	–	84
Crustacea	7	1	19	27	–	–	11	7	17	22	6	6	4	1	64	64
Molluscs (*)	–	19	–	152	–	–	–	21	–	144	–	29	–	53	–	418
Industrial Spp.	180	4	209	620	2	–	57	14	10	0	19	0	18	–	495	638
Total	482	42	1144	883	7	9	589	82	359	266	154	148	118	229	2853	1659

Year : 1988	ICES Division																	
	III		IV		V		VI		VII		VIII		IX		Total	
Species Group	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC	TAC	n-TAC
Demersal finfish	135	18	429	63	2	6	117	29	180	47	54	25	24	25	941	213
Pelagic finfish	171	1	283	0	4	–	381	0	136	8	68	56	56	131	1099	196
Tunas	–	–	–	–	–	–	–	–	–	0	–	30	–	11	–	41
Sharks + Rays	–	1	–	11	–	0	–	11	–	37	–	7	–	7	–	74
Crustacea	5	2	13	21	–	–	13	9	15	20	7	5	4	2	57	59
Molluscs (*)	–	10	–	144	–	0	–	14	–	154	–	37	–	52	–	411
Industrial Spp.	219	23	237	788	1	–	20	24	14	0	18	0	22	–	531	835
Total	530	55	962	1027	7	6	531	87	345	266	147	160	106	228	2628	1829

(*) Excluding mussels and oysters; TAC : species under TAC regulation; n-TAC : species not submitted to TAC

ECONOMIC AND SOCIAL DEVELOPMENT OF COASTAL REGIONS

Economic and social development of coastal regions

1. Economic importance of the fishing and aquaculture industries

In spite of their political importance, the fishing industries of the Member States have remained insignificant in aggregate economic terms over the period from 1983. For example, in most Member States the value of landings continues to represent less than 1% of Gross Domestic Product and fishermen continue to form less than 1% of the working population[1].

However, these are only crude indicators of the economic importance of fish-related activities, since:

- activity in aquaculture and in the marketing, processing, distribution and ancillary sectors of both the fishing and the aquaculture industries adds value and employment;

- these industries stimulate output, income and employment in other sectors and industries which are not fish-related such as tourism.

Furthermore, while the economic importance of the fishing and aquaculture industries is relatively low at the aggregate level in Member States, their significance increases considerably at the disaggregated level of the region, coastal area or local economy.

Coastal areas

1. Coastal areas are usually found within well-defined economic regions in Member States but there is no single common definition of such areas and they often do not correspond economically or statistically to regions. Economic activity in the fishing industry and in aquaculture tends to vary in its spatial concentration within coastal areas. For example, landings and fishermen, together with related production and employment, tend to be very concentrated spatially at port locations within coastal areas. The economic dependence of local economies on fish-related activities can, therefore, be very high as compared with other parts of the coastal area or the region as a whole.

2. The generation of local income, output and employment through economic activity in the fishing industry depends of course on the coastal area's links with primary fishery resources. In certain cases, a major part of the supply base is located in close proximity to the coastal area including waters within 12 nautical miles. However, because of the mobility of fishing vessels, the primary fishery resources on which an area relies may be harvested at a great

1 See Annexes 1 and 2.

distance from it. Furthermore, vessels associated (for example by registration) with a given coastal area may not in practice always supply it. The links in question can therefore be very fragile and difficulties may arise for local economies dependent on fish-related activities. Such difficulties would arise if for example reduced quota allocations or a change in the operating patterns of fishing vessels resulted in a fall in fish supply to the local economy. In the former case (where lost catching opportunities have not been compensated) the fall in output value has led to jobs disappearing in the catching and onshore sectors of the fishing industry and also in related industries and elsewhere in the local economy via reduced household spending. In the latter case the major impact has been on the local economy via the onshore sectors of the industry.

3. The economic and social development of coastal areas may not be exclusively dependent on fish or even on marine resources. Many heavy industries such as steel, oil and industrial chemicals are located in coastal areas with associated high concentrations of people and business activity. Other coastal areas are used in diverse ways with a mixture of urban, agricultural, tourist, fish-related and other activities. In some locations the dependency on fisheries and aquaculture for output, income and employment has nevertheless remained high due to the absence of other substantial generators of economic activity. This has been particularly true in rural areas where part-time fish-related activity may provide an important component of overall economic activity. In such circumstances any reduction in activity could lead to adverse changes in the social structure through, for example, population migration and the consequent loss of community institutions as population declines below a minimum threshold. Even in those coastal areas where other industries are well represented, the spatial concentration of many sectoral activities in fisheries and aquaculture and low labour mobility have led to localized economic dependency. Indeed, some segments of the fishing industry have essentially offered the only opportunity for employment, particularly given the ease with which they can be entered, due in part to low capital costs and open access to the basic primary resource.

4. The direction and pace of the economic and social development of the coastal areas in so far as they depend on fisheries and aquaculture have been substantially influenced by major and fundamental factors:

- despite increasing regulatory activity at both Community and Member State level, the problems associated with managing stocks of wild fish which are Community resources have manifested themselves in negative economic and social developments. These have included economic (and biological) overfishing, with the attendant problems of inefficiency and external costs including social conflict;

- differences within and between individual Member States in fleet structure, target species and fishing areas and in the associated marketing, processing and distribution systems have continued to lead to diversity and differentials in the economic performance of the various segments of the industries and in the economic and social development of the coastal areas[2]. Of particular influence have been the mechanisms used by the Community and the Member States to regulate access to the primary resources and the response of the individual enterprises to this control.

Impacts of resource management constraints

1. The availability of primary raw material to the various segments of the Member States fishing industries has been constrained over the period of review by a number of factors:

   - in the case of resources found outside the Community's fishery zone, this availability has been substantially dependent on the successful development of arrangements permitting access, mainly in the form of fishing agreements. These have increased in number from 7 in 1983 to 22 at present with another 10 currently under negotiation or preparation. The aggregated quantitative contribution to production resulting from access to waters outside the Community's fishery zone is difficult to measure because of the varied nature of the agreements and their utilization. Some estimates indicate that such access arrangements may presently result in a contribution of up to a quarter of total Community catches of edible fish, and therefore constitute an important element in the economic and social situation of certain coastal areas;
   - in the case of resources found within the Community's fishery zone, the setting of TACs and quotas at Community level and the different methods used to allocate shares and to regulate effort at Member State level have had an important impact on economic and social development in the coastal areas through different effects

2 See Annexes 3, 4a and 4b

on resource availability[3]. Some of the allocation systems adopted at national level have not fully included all vessels fishing on a given stock. Those vessels which are less strictly controlled may tend to increase their fishing effort in a tight quota situation, thus bringing forward the date on which a fishery has to be halted by the authorities, with negative effects on parts of both the primary and the secondary sectors of the industry. Accompanying problems have included a perception of social inequity in some coastal communities, with part of the fleet economically active and the other part constrained to inactivity in port. However, for some Member States and for some species the quotas allocated have not set real constraints on primary productive activity as they have not been fully taken due, for example, to deficiencies in the structure of the fleet or natural unavailability of fish resources[4].

2. For species where the quotas have set an upper limit to productive activity, Member States have increasingly used the device of quota exchange to provide some relief from the constraints of the initial allocations[5]. This flexibility in the system has been particularly important where the economic value of specific fisheries to Member States has changed since the mid-1970s and where economic and social development would have been held back in the absence of opportunity to exchange quotas[6]. Indeed, the fishing opportunities forgone by each party to the exchange agreement may be of very little value because the fish would not have been caught anyway. The overall gain in such circumstances is equal to the gross gain in increased landed value together with the associated gains in enhanced economic activity on-shore.

3 These methods have included various licensing systems to control the level of fishing effort and the use of allocation systems ranging from open access distribution to individual quotas (including individual transferable quotas (ITQs) for sole and plaice in the Netherlands).

4 The landing figures suggest that Ireland, for example, has not fully used its quota allocations of demersal species or nephrops. In 1988 and 1989 average utilization was less than 75% for the former group and less than 50% for the latter species.

5 In 1984 exchanges of quotas numbered some 46 separate transactions. By 1989 the number of voluntary transactions had increased to some 140.

6 For example, the local economies of Urk and Den Helder which are important home ports for the Dutch beam-trawl fleet have been affected by the increased fishing opportunities given by quota exchanges between the Netherlands and the United Kingdom. For 1989 the Netherlands transferred 2 795 tonnes of eight different ICES Area VII species to the United Kingdom in exchange for 17 000 tonnes of plaice to allow an increase of some 30% in the Dutch plaice quota in the North Sea.

3. For some sectors of Member State fishing industries the TAC and quota system has only partially influenced the pace and direction of economic development. This is because their target species have either not been fully subject to this system (where TACs have been set but have not generally been divided into national quotas, e.g. horse mackerel) or have only been subject at the most to technical conservation measures, e.g. crabs. In some Member States the aggregate contribution to landings value from non-quota species found in the Community's fishery zone has been significant, with certain coastal areas being particularly dependent on non-quota demersal, pelagic and shellfish landings[7]. Thus some parts of the fishing industries of Member States have experienced relatively little limitation on their economic and social development, while other parts, particularly those using larger vessels and fishing on species subject to TACs and quotas, have faced reduced production ceilings for many of their major target species. This has often led to temporary or permanent diversification into mainly non-quota fisheries to maintain economic viability. While private responses of this type have been rational in the context of ensuring business survival, external costs and consequent social conflict have sometimes been generated. Such conflict, particularly due to incompatibility between fishing gears and to the nomadic behaviour of some fishing vessels, has been evident in the fisheries for both quota and non-quota species[8].

4. Movements in the aggregate numbers of vessels and of fishermen in Member States' fishing fleets have concealed developments in various segments of the fleets resulting inter alia from the response of those segments to the availability of resources and to the national measures of quota allocation and effort regulation[9].

7 Even in those Member States which have been traditionally dependent on species now subject to the TAC and quota system, the aggregate contribution to value from landings of non-quota species from Community internal resources can be over 25%. For certain coastal areas this figure can increase to 100%.

8 Other responses to ensure business survival have resulted in the generation of external costs in the form of hidden fishing mortality on the stocks and the development of a hidden fisheries economy which has affected the economic and social development of the coastal areas. Increasing regulatory activity has reduced the private responses available to ensure business (and perhaps social) survival.

9 See Annex 5.

in some Member States, fleet segments have expanded to take species in areas where national quotas were underutilised and to exploit non-quota species. This expansion, together with the responses of other segments to various fishing opportunities, has produced varied aggregate changes at Member State level in the number of vessels and fishermen. However, in association with capital modernization and replacement, partly funded from public sources, the changes have generally put upward pressure on the capacity and capital intensity of the fleet.

5. The results of these constraints and responses are apparent in the evolution of the volume and composition of landings[10]. Landings of roundfish species such as cod and haddock have followed the evolution of the TACs and quotas, i.e. moved in a downward direction, where TACs and quotas have represented real maximum production limits[11]. On the other hand landings of some other demersal species, particularly flatfish, have increased where greater utilization of quota and non-quota species was possible[12]. Pelagic landings and the landings of some shellfish species have also shown a tendency to increase in most cases.

Price, processing and trade developments

1. At the same time, demersal fish as a group and many individual demersal species have become considerably more valuable in monetary and in real terms. This observation is also applicable to many of the shellfish species, but not to the pelagic group, where in most cases monetary and real values have at best remained static or have even declined[13]. These price developments have been important in determining the gross earnings of fishing enterprises relying on the

10 See Annex 6.

11 The total availability of cod within the Community's fishery zone (as determined by TACs) had been reduced by 1991 to some 50% of its 1983 level. For haddock the reduction over the period has been greater: for 1991 the total of the TACs stands at some 34% of its 1983 level.

12 The TACs for the two major flatfish species of sole and plaice have remained relatively stable over the period since 1983, with total availability tending to increase towards the latter part of the period.

13 For example, the real price of sole landed into Irish ports in 1988 was 46% higher than in 1983. Cod increased in real price by 31% and haddock by 54% over the same period. However, the real price of plaice remained relatively stable and the average real prices for herring and mackerel declined by 30% and 18% respectively.

various species. The more recent reductions in some demersal TACs and quotas have led to a probable fall in aggregate real earnings for the vessels dependent on the stocks in question in spite of the favourable price changes[14].

2. While price increases in real terms for demersal species have cushioned the impact of reduced landings on the economic viability of parts of the fleet, these increases also represent increases in real raw material costs to the white fish processing sector. Furthermore, the price elasticity of demand further down the distribution chain has been such that the possibility of fully recovering these increased costs has been limited, leading in some cases to financial difficulties and the loss of jobs in the secondary sectors of the industry. These economic difficulties have been compounded by discontinuities in supply caused by the application of management measures to the primary sector. Member States have become increasingly reliant on whitefish imports from third countries for their supply of raw material. In some cases, fish imports have increasingly been in a secondary processed form, reducing the possibilities for added value activities in the processing sectors, with an attendant loss, through the multiplier effects, of output, income and employment in the coastal economies[15].

Ancillary sectors

In most Member States the ancillary sectors of the fishing industries such as shipbuilding and repair are usually of relatively smaller significance in the coastal areas than the catching and processing sectors in terms of generated output, income and employment. However, the economic link between them can be important for a number of reasons:

- changes in economic activity in the primary sector affect the level of local employment in the ancillary sectors and of local expenditure. The reduction in the public funding of capacity increases in the fleet has led to localized unemployment in some Member States due to a decrease in the demand for new vessels;

14 See Annex 7.

15 See Annex 8, 9 and 10.

- the services which are provided by the ancillary sectors to the primary sector can have a crucial influence on the competitiveness of a coastal area in obtaining its supply of raw material and hence significantly influence its economic and social development. Differences in the competitiveness of ports through, for example, differences in prices and port services have encouraged vessels to seek out those ports which give a better private economic return, with some areas benefiting at the expense of others. The preferred areas may be in a different Member State or in a third country: landings outside the flag state have been recorded at a level of some 20% by value for certain species groups.

Aquaculture

Over the period of review, aquaculture production has made an increasing contribution to fish supplies, particularly at the high quality end of the fish product range[16]. This development has provided benefits in economically disadvantaged regions not only directly but also indirectly through the multiplier effects in terms of generated output, income and employment. However, in some areas, market developments and environmental considerations have adversely influenced the evolution of private and social costs and benefits and constrained economic growth.

2. Conclusions

1. The economic and social development of the coastal areas in so far as they depend on fisheries and aquaculture has been increasingly influenced since 1983 by increasing regulatory activity at the Community and Member State level. Some segments of the fleets have been more profitable than others, usually because control has been lighter, uncontrolled inputs and outputs could be substituted for those under control, increased quota utilization was possible or price and cost development have been favourable.

2. However, even if economic viability has been maintained in some segments, the question remains whether the imposed real costs of regulation have been outweighed by the derived benefits. For some of the major commercial stocks of roundfish and flatfish the answer would seem to be in the negative, as their state has not improved and, in certain cases, has deteriorated since 1983. In contrast to

16 See Annex 11.

the achieved benefits, the private and social costs have been high. Increasing regulatory activity has essentially tried to limit the production possibilities and the production techniques of many of the fishing enterprises. As production shortfalls have not always been fully compensated by price rises and regulatory activity has increased real production costs, fishing enterprises have predictably responded by, for example, technical improvements aimed at reducing the negative economic effects of the control measures on their performance. This has contributed to the upward pressure on fleet capacity, with the result that many economic resources must now be wasted in enforced idleness or in inefficient use, and potential longer-term production increases from many of the major stocks are necessarily sacrificed. Furthermore, negative consequential effects have been experienced by other sectors of the industry in terms of higher costs and by consumers through higher prices.

3. The reactions of the primary sectors to the various control measures may be rational at the level of the individual enterprise but are often against the public interest and inhibit and distort the economic and social development of the coastal areas. The problem of devising and applying management policies which encourage fishermen to pursue their own private interests and at the same time best serve the public good would appear to remain substantially unsolved.

KEY FIGURES FOR THE FISHERIES SECTOR 1989

	No. of vessels	No. of Fishermen	Landings 1000 T	Landings Value % of GDP	TRADE (1000 T) INTRA EEC (2) Import	INTRA EEC (2) Export	INTRA EEC (2) Exp.-Imp.	EXTRA EEC (2) Import	EXTRA EEC (2) Export	EXTRA EEC (2) Exp.-Imp.	Supply Bal. 1000 T (3)
Belgium (1) 4)	205e	1271	35	0.057	113	40	-73	40	1	-39	147
Denmark 4)	2921f	7323	1876c	0.487	60	379	319	342	99	-243	330
Germany 4)	591	1895	208a	0.013	264	112	-152	263	41	-222	582
Greece 4)	21894g	40164	152	1.023	18	16	-2	50	3	-47	201
Spain 5)	20759	89074	961b	0.518	191	180	-11	410	87	-323	1295
France 4)	10361h	18000	560	0.109	341	165	-176	340	119	-221	957
Ireland 4)	1796i	7900	197d	0.363	25	91	66	2	59	57	74
Italy 4)			365	0.160	246	58	-188	319	11	-308	861
Netherlands 4)	668j	3311	305	na	225	282	57	76	245	169	79
Portugal 5)	16195k	38924	331	0.670	72	59	-13	109	29	-80	424
United Kingdom 4)	8283	22422	751	0.083	147	181	34	334	193	-141	858

Source : Various sources including Member States, OECD, EUROSTAT

1) Trade figures include Luxembourg
2) Group 03 + 1604 + 1605
3) Landings for human consumption + total import - total export
4) Landings by national vessels in domestic and foreign ports
5) Landings by national vessels in domestic ports
a) live weight equivalent
b) for direct consumption
c) including 1470000 T industrial landings
d) excluding oysters, mussels and salmon
e) 1989 18% otter trawlers, 13% small beam trawlers,
34% shrimp and small vessels, 35% large beam trawlers
f) 1989 50% trawlers, 10% seiners, 40% gill netters
g) 1990 84 Deepsea vessels (large trawlers), 810 Middle water vessels (trawlers,seiners)
2100 Coastal fleet (gill nets, long lines pots/traps, seine nets, surrounding nets)
h) vessels L<25m:98% (artisanal fishing vessels); 25m<L<38m: 1% (semi-industrial); 38m<L :1% (industrial)
i) 1989 70% <12 metres
j) 85% = cutterfleet 1983 (595) - 1988 (603) - 1989 (573)
Deepsea fleet (evolution 1983-1989) -53%
k) 1989 87.5% local fleet, 11.8% coastal fleet, 0.7% long distance fleet
l) estimate

	Value of landings* as a percentage of Gross Domestic Product			Number of fishermen+ as a percentage of national workforce		
	1983	1988	1989	1983	1988	1989
Belgium	0.056	0.052	0.058	0.033	0.034	0.033
Denmark	0.664	0.485	0.482	0.308	0.266	0.256
Germany	0.020	0.012	0.013	0.010	0.007	0.007
Greece	0.722	1.002	1.023	0.701	1.005	1.012
Spain	0.680 1)	0.571	0.535	0.730 1)	0.650	0.600
France	0.119	0.117	0.112	0.084	0.077	0.075
Ireland	0.345	0.389	0.378	0.655	0.558	0.606
Italy	0.184	0.186	0.167	0.151	0.230	na
Netherlands	na	na	na	0.063	0.053	0.050
Portugal	0.789 1)	0.790	0.701	0.900 1)	0.930	0.810
United Kingdom	0.093 2)	0.087	0.076	0.081 3)	0.080	0.078

* National landings in domestic and foreign ports
+ Fulltime and part time fishermen
1) 1986 figures for 1983
2) National landings in domestic ports only
3) 1985

Sources: Various sources including Member States, OECD and Eurostat.

Diversity in fleet structure, target species and supply situation 1989

	Fleet Structure			Landings target species 4)			Supply		
	Coastal	Medium range	Long range	Demersal	Pelagic	Shellfish	Export 3)	Import 3)	Aquaculture
	estimated percentage 1)			estimated pecentage, value 1)			percentage of landings value 1)		
Belgium	33	67		92	< 1	8	211	663	7
Denmark	43	57	< 1	75	13	12	319	174	19
Germany	52	44	4	60	22	17	254	817	86
Greece	96	4	< 1	59	36	4	16	31	5
Spain 2)	81	17	2	50	19	32a	26	88	11
France	77	22	< 1	52	19	30	75	213	35
Ireland	83	18	< 1	53	28	19b	170	47	37
Italy	87	12	1	10	78	12	14	140	22
Netherlands	40	58	2	64	22	14	na	na	na
Portugal 2)	89	10	< 1	13	48	39	73	129	21
United Kingdom	72	28	< 1	69	8	23	106	210	33

Source : Various sources including EUROSTAT

1) rounded
2) landings by national vessels in domestic ports
3) trade eur12/world (edible fish 03+1604+1605)
4) see Annex XIV-7 for landings value

Target species as represented by catches under quotas (1) in 1989 ('000 tonnes) (for Italy and Greece production statistics)

	Belgium	Denmark	Germany	Greece (a)	Spain	France	Ireland	Italy (a)	Netherlands	Portugal	United Kingdom
Cod Haddock Saithe Whiting	7	136	72	0	34	126	19	0	16	26	226
Plaice Sole	19	33	7	0	0	15	3	0	94	1	37
Other Demersal	2	2	0	38b	31	55	9	145b	0	7	20
Mackerel Sprat Herring	0	310	70	0	7	49	111	0	133	3	309
Tuna Salmon	0	1	0	4	0	0	0	18	0	0	0
Shellfish	0	3	0	10	2	11	4	181	0	1	17
Horse Mackerel Blue Whiting Norway Pout	0	141	9	0	62	6	66	0	64	31	26
Anchovy, Sardine	0	0	0	56c	7	3	0	93	0	1	0
Tot.	28	626	158	108	143	265	212	437	307	70	635

Source : CEC

Target species as represented by catches under quotas (1) in 1989 (percentages).
(for Italy and Greece production statistcs)

%	Belgium	Denmark	Germany	Greece (a)	Spain	France	Ireland	Italy (a)	Netherlands	Portugal	United Kingdom
Cod Haddock Saithe Whiting	25	22	46	0	24	48	9	0	5	37	36
Plaice Sole	68	5	4	0	0	6	1	0	31	1	6
Other Demersal	7	0	0	35b	22	21	4	33b	0	10	3
Mackerel Sprat Herring	0	50	44	0	5	18	52	0	43	4	49
Tuna Salmon	0	0	0	4	0	0	0	4	0	0	0
Shellfish	0	0	0	9	1	4	2	41	0	1	3
Horse Mackerel Blue Whiting Norway Pout	0	23	6	0	43	2	31	0	21	44	4
Anchovy, Sardine	0	0	0	52c	5	1	0	21	0	1	0
Tot.	100	100	100	100	100	100	100	100	100	100	100

Source : CEC

1) Only catches under quota except in the Mediterranean.
Catches under quotas outside EC waters included
(except Redfish, American Plaice, Witch Sandeel, Norway Pout and Ling)
a) catches according to "Outline of a Common Fisheries System in The Mediterranean" Doc. Sec(90) 1136 final
b) mixed demersal

Fleet

Member States	1983				1988				1989			
	Number of vessels	grt	kW	Fishermen full-time & part-time	Number of vessels	grt 01.01.89	kW	Fishermen full-time & part-time	Number of vessels	grt	kW	Fishermen full-time & part-time
Belgium	201	22282	66537	1274 385a	204	24620	77000	1312 414a	205f	25445	78450	1271 383a
Denmark	3291b	123319b	521457b	8345b	3010	126824	538240	7642	2921g	122265	521150	7323
Germany	678	na	na	2656	622h	48950	133800	1974	591	47900	127800	1895
Greece	na	na	na	26700	na	137622	579657	39800 12200a	21894	129729	576288	40164 12050a
Spain	17665e	671804e	1921170e	99975e	20771	623508	1958800	94387	20759	619329	1951296	89074
France	11661	212542	1103327	19500	11244	206618	1084698	18479	10361	205303	1145993	18000p
Ireland	3020	48388	na	8572 5141a	2033c 1000l	62694	249208	7370c 3809a	1796k 1000l	55822	203109	7900 4520a
Italy	22981	316788	na	34000	19756	na	na	54450	m	282567	1746921	na
Netherlands	703 400d	na	440128	3553	695 400d	na	467800	3471	668n 400d	na	481960	3311
Portugal	na	202077c	507935c	41764c	na	207077	507935	44255	16195o	195879	500490	38924
United Kingdom	7227	na	na	22181e 6263a	8125	206934	1155212	22468 5373a	8283	206934	1155212	22422 5137a

Source: Various sources including CEC, Member States and OECD.

a) part-time component
b) 1984
c) 1986
d) small boats
e) 1985
f) 1989 18% otter trawlers, 13% small beam trawlers,
34% shrimp and small vessels, 35% large beam trawlers
g) 1989 50% trawlers, 10% seiners, 40% gill netters
h) 1988 89% motor cutters (medium, close range)
i) 1990 84 Deepsea vessels (large trawlers), 810 Middle water vessels (trawlers, seiners)
2100 Coastal fleet (gill nets, long lines pots/traps, seine nets, surrounding nets)
j) vessels L<25m:98% (artisanal fishing vessels); 25m<L<38m: 1% (semi-industrial); 38m<L :1% (industrial)
k) 1989 70% <12 metres
l) <6 metres without inboard engines
m) -coastal fleet (operating within 6 miles only) 1989:15000
-coastal fleet (operating up to 20 miles) 1990:2000
-mediterranean High Sea fleet 1990:120
-Atlantic fleet 1991:59
n) 85% = cutterfleet 1983 (595) - 1988 (603) - 1989 (573)
Deepsea fleet (evolution 1983-1989) -53%
o) 1989 87.5% local fleet, 11.5% coastal fleet, 0.7% long distance fleet
p) estimate

Landings (quantity 1000 t).

Member States	1983				1988				1989			
	demersal	pelagic	shellfish	TOTAL	demersal	pelagic	shellfish	TOTAL	demersal	pelagic	shellfish	TOTAL
Belgium 1)	34	6	3	43	35	< 1	2	37	32	< 1	2	35
Denmark 1)	1395g	463	79	1937	1354g	482	86	1922	1380g	404	92	1876
Germany 1)				284a				184a				208a
Greece 1)				111				152				152
Spain 2)				1056b				1022b				961b
France 1)				526c				603c				560c
Ireland 1)	38	144	10	192d	44	180	10	234d	38	147	12	197d
Italy 1)				434c				390c				365c
Netherlands 1)				248				277				305
Portugal 2)				384e				347				331
United Kingdom 1) c)	428f	249f	72f	770	368f	280f	98f	835	306f	273f	86f	751

1) landings by national vessels in domestic and foreign ports
2) landings by national vessels in domestic ports
a) live weight equivalent
b) for direct consumption, landed weight – 1988 figures for 1983
c) landed weight equivalent
d) excluding oysters, mussels and salmon
e) 1987 figures
f) landings by UK vessels in domestic ports
g) including most industrial landings except horse mackerel

Landings value (Ecu million).

Member States	1983				1988				1989			
	demersal	pelagic	shellfish	TOTAL	demersal	pelagic	shellfish	TOTAL	demersal	pelagic	shellfish	TOTAL
Belgium 1)	51 (88%)	2 (3%)	5 (9%)	58 (100%)	69 (93%)	< 1 (<1%)	5 (7%)	74 (100%)	72 (92%)	< 1 (<1%)	6 (8%)	78 (100%)
Denmark 1)	321f (77%)	61 (15%)	36 (9%)	418 (100%)	334f (76%)	63 (14%)	45 (10%)	441 (100%)	339f (75%)	61 (13%)	54 (12%)	454 (100%)
Germany 1)				150				123				138
Greece 1)				285				445				504
Spain 2)				1580a				1622a				1764a
France 1)				702				941				943
Ireland 1)	28 (39%)	28 (39%)	15 (22%)	71b (100%)	57 (53%)	30 (28%)	21 (19%)	107b (100%)	51 (47%)	31 (28%)	28 (26%)	111b (100%)
Italy 1)				865				1306				1252
Netherlands 3)												
Portugal 2)				239d				279				275
United Kingdom 1)	344e (72%)	46e (10%)	87e (18%)	477e (100%)	417e (63%)	50e (7%)	138e (20%)	664 (100%)	398e (64%)	46e (7%)	134e (21%)	622 (100%)

Sources : Various sources including Member States, OECD

1) landings by national vessels in domestic and foreign ports
2) landings by national vessels in domestic ports
3) not available
a) for direct consumption – 1986 figures for 1983
b) excluding oysters, mussels and salmon
c) excluding landings from North and South Atlantic Waters and catches from COPACE Waters except Morrocan and Mauritanian waters
d) 1987 figures for 1983
e) landings by UK vessels in domestic ports
f) including most industrial landings except horse mackerel

Processing industry 1989

Member State	No.of plants /enterprises	Workers
Belgium	82a	1182a
Denmark	419	13492
of which Bornholm	16	1100
Germany	172	23683
of which new Länder	4	1871
Greece	< 100	2500
Spain	396	14740
France	250	6000
Ireland	92	3400
Italy	251	4820
Netherlands	454b	7000b
Portugal	191	11900
United Kingdom	880	21000

Source : Studies commissioned by the Commission of the EC

a) 1987
b) 1988

Imports of Fishery Products from World

Member State	QUANTITY ('000 kg)			VALUE ('000 ecus)			VALUE/QUANTITY (ECU/kg)		
	1983	1988	1989	1983	1988	1989	1983	1988	1989
Belgium	128593	142366	152923	329572	469077	518483	2.56	3.29	3.39
Denmark	265428	355577	402532	342230	711881	788763	1.29	2.00	1.96
Germany	402568	473265	527426	707882	1023344	1124206	1.76	2.16	2.13
Greece	41579	51874	68289	78239	111071	154437	1.88	2.14	2.26
Spain *	350224	618436	606074	798246	1339761	1551876	2.28	2.17	2.56
France	472863	633477	681006	1170734	1895321	2011892	2.48	2.99	2.95
Ireland	31311	40984	27424	37913	50843	51520	1.21	1.24	1.88
Italy	320836	515534	565351	784448	1572482	1752838	2.45	3.05	3.10
Netherlands	138690	283474	301291	219188	437507	510779	1.58	1.54	1.70
Portugal *	140939	191872	181276	256088	384023	353449	1.82	2.00	1.95
United Kingdom	346689	443806	481264	850015	1193956	1309939	2.45	2.69	2.72

Source EUROSTAT comext
1983 NIMEXE
1988-1989 CN
Total edible fish (03+1604+1605)
*) 1986 1988 1989

Exports of Fishery Products to World

Member State	QUANTITY ('000 kg) 1983	1988	1989	VALUE ('000 ecus) 1983	1988	1989	VALUE/QUANTITY (ECU/kg) 1983	1988	1989
Belgium	30275	40834	41427	78447	145679	164834	2.59	3.57	3.98
Denmark	393485	439621	478560	872184	1351552	1449547	2.22	3.07	3.03
Germany	111038	122243	152535	231544	301665	350277	2.09	2.47	2.30
Greece	8333	13672	19492	26196	51436	80359	3.14	3.76	4.12
Spain *	214769	263894	267524	421078	443841	460078	1.96	1.68	1.72
France	160422	234285	283620	355487	622735	711904	2.22	2.66	2.51
Ireland	147950	190962	149844	108268	176360	187665	0.73	0.92	1.25
Italy	78368	68376	69335	97204	148377	180414	1.24	2.17	2.60
Netherlands	441601	463081	526977	560778	801840	927741	1.27	1.73	1.76
Portugal *	69944	66848	88846	142782	146837	200957	2.04	2.20	2.26
United Kingdom	358809	320342	374378	343194	575376	662505	0.96	1.80	1.77

Source EUROSTAT comext
1983 NIMEXE
1988-1989 CN
Total edible fish (03+1604+1605)
*) 1986 1988 1989

AQUACULTURE PRODUCTION (EUR-12)

TONNES

Member State	1984	1989
Belgium	1350	1916
Denmark	23593	32180
Germany	85980a	49195a
Greece	5000	6750
Spain	247276	264892
France	190072	228987
Ireland	14035	23220
Italy	103700	150400
Netherlands	61990	109945
Portugal	760	9500
United Kingdom	16896	48710
Total	750652a	925695a

VALUES MECU

Member States	1984	1989
Belgium	0.693 05	5.09
Denmark	66.941 95	87.40
Germany	177.967 89 a	117.81a
Greece	8.445 82	22.87
Spain	264.709 24	200.82
France	286.567 53	333.48
Ireland	19.974 26	40.80
Italy	177.390 14	278.80
Netherlands	55.509 80	54.21
Portugal	41.481 58	57.63
United Kingdom	45.296 52	205.73
Total	1.144.977 76a	1404.64a

Source : FAO (1984), CEC (1989)
a) Including Länder ex.DDR

VALUE OF LANDINGS AS A PERCENTAGE OF GDP AND NUMBER OF FISHERMEN AS A PERCENTAGE OF NATIONAL WORKFORCE BY MEMBER STATE

	Value of landings* as a percentage of Gross Domestic Product			Number of fishermen+ as a percentage of national workforce		
	1983	1988	1989	1983	1988	1989
Belgium	0.056	0.052	0.058	0.033	0.034	0.033
Denmark	0.664	0.485	0.482	0.308	0.266	0.256
Germany	0.020	0.012	0.013	0.010	0.007	0.007
Greece	0.722	1.002	1.023	0.701	1.005	1.012
Spain	0.680 1)	0.571	0.535	0.730 1)	0.650	0.600
France	0.119	0.117	0.112	0.084	0.077	0.075
Ireland	0.345	0.389	0.378	0.655	0.558	0.606
Italy	0.184	0.186	0.167	0.151	0.230	na
Netherlands	na	na	na	0.063	0.053	0.050
Portugal	0.789 1)	0.790	0.701	0.900 1)	0.930	0.810
United Kingdom	0.093 2)	0.087	0.076	0.081 3)	0.080	0.078

* National landings in domestic and foreign ports
\+ Fulltime and part time fishermen
1) 1986 figures for 1983
2) National landings in domestic ports only
3) 1985

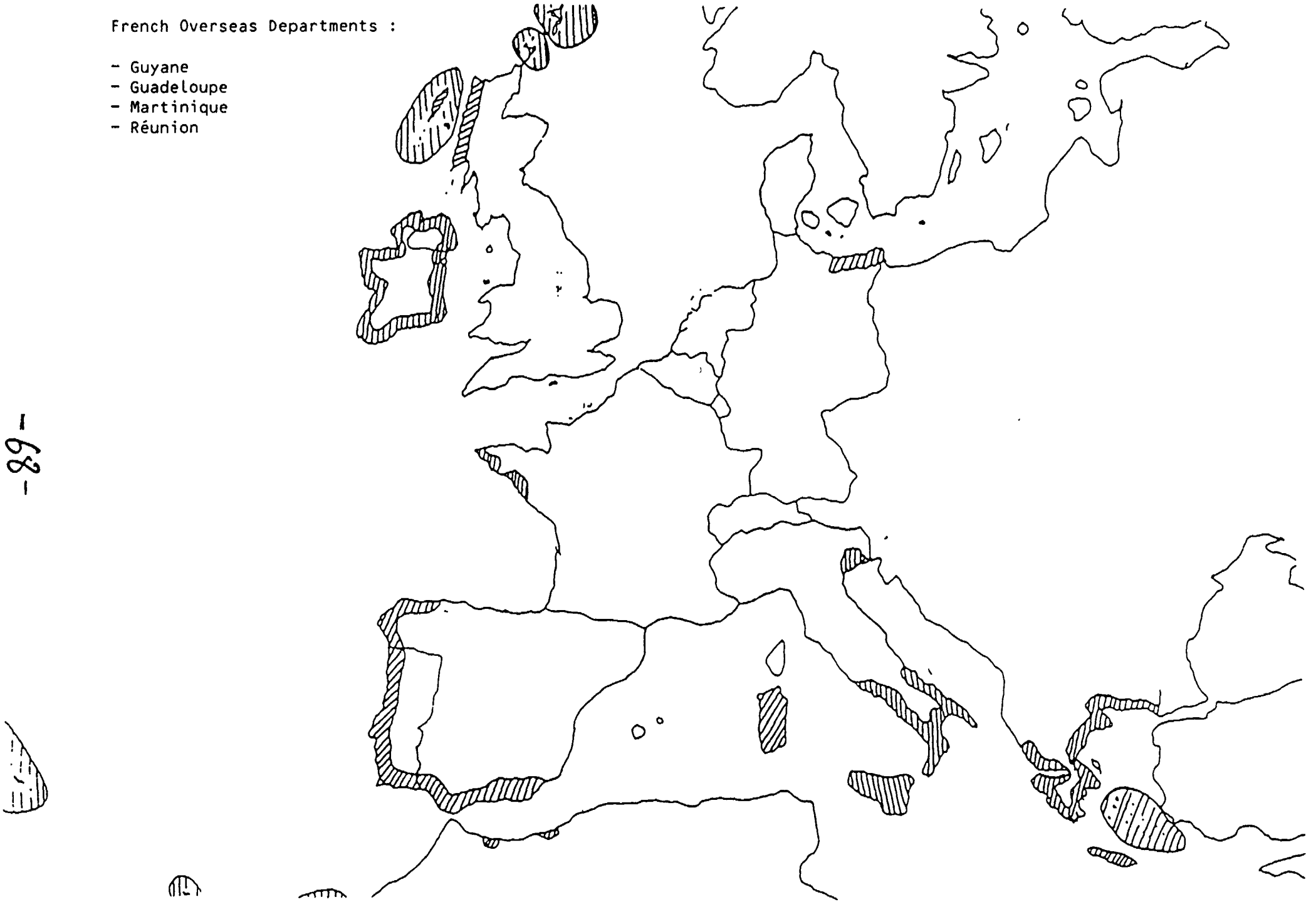
Sources: Various sources including Member States, OECD and Eurostat.

MAP OF REGIONS SUBJECT TO PREFERENTIAL RATES, AS DEFINED IN COUNCIL REGULATION (EEC) 4028/86(1)

(1) JO n° L 376, du 31.12.1986, p.7

French Overseas Departments :

- Guyane
- Guadeloupe
- Martinique
- Réunion



AQUACULTURE PRODUCTION
1984 and 1989

AQUACULTURE PRODUCTION (EUR-12)

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a) Including Länder ex.DDR

MECHANISMS OF THE COMMON ORGANIZATION OF THE MARKET IN FISHERIES PRODUCTS

THE MECHANISMS OF THE COMMON ORGANIZATION OF THE MARKET IN FISHERIES PRODUCTS

The market organization is intended to ensure transparency and uniform conditions in trade, to strengthen the solidarity of producers in their efforts to upgrade their products, to guarantee the free movement of products and to organize international competition on the basis of internal marketing constraints.

It is based on the following four main components:
- common marketing standards;
- producers' organizations;
- common prices;
- a system governing trade with third countries.

Marketing standards

The marketing standards are the only compulsory element in the market organization as regards internal organization.

Two basic types of standard are applied:

- "classification" standards applicable to fresh products at the first-sale stage on the Community market. These standards are used to determine the class to which the product belongs. They facilitate the uniform application of the prices policy throughout the Community.

  These standards normally come into play after the rules on resource management. A liberal approach to market organization requires that everything which may be legally fished must also be able to be sold. If minimum marketing standards are to be aligned with minimum biological standards, the former must be aligned on the latter.

- "composition" standards, which apply to processed products. These standards guarantee greater fairness in transactions in these products by improving market transparency. There is a standard for canned sardines and another is being prepared for canned tuna and bonito.

Outside these standards, quality is essentially left to the initiative of the industry. This initiative can be regulated legally and encouraged at Community level (by means of coordinated action under the market organization and the structural policy). Such measures do not interfere with the management of resources, but they help the industry to maximize its returns on available resources in times of relative scarcity.

Producers' organizations

Producers' organizations are a legal exception to the principle, enshrined in the Treaty of Rome, which prohibits cartels. This exception is subject to limits: organizations must be established on producers' own initiative, and members must be able to join and leave them freely. They are bodies governed by private law responsible for managing the interests of their members, and have no public objectives.

However, Member States may extend the powers of the producers' organizations provided that they remain representative within the meaning of the Community rules.

The principal objective of producers' organizations is to "ensure that fishing is carried out along rational lines and that conditions for the sale of their products are improved", particularly with the aid of "catch plans".

The Member States already have the option of extending the rules on the conditions for first marketing. These conditions may relate to obtaining an optimal return on catches within a given quota on the basis of market requirements. Therefore, the Member States can already extend the rules on resource management provided that the objective is market management and not biological management of stocks.

The effective use of this option depends on the political will of the Member States to use it within the framework of their own powers.

Prices

The price system comprises a number of mechanisms financed by the Community budget:

- Community withdrawal prices,
- regional withdrawal prices (independent),
- compensation for sardines (linked to the arrangements for price alignment during the transitional period following the accession of Spain and Portugal),
- storage premiums (products landed fresh),
- private storage aid (products frozen at sea),
- compensation for tuna,
- compensation for salmon and lobster (this mechanism has never been applied).

Unlike the agricultural price policy, the fisheries price policy has always attempted to reflect the real market situation.

Assistance in the formation of producers' incomes is based on price stabilization (safety net mechanism), not on the fixing of prices at profitable levels.

This approach means that Community fishing enterprises must be structurally viable in terms of international competition.

In view of the relative shortage of stocks, the withdrawal mechanisms currently function more as a deterrent than as a means of effective market intervention. Withdrawals mainly concern pelagic species (herring, mackerel and sardines) for which there are currently no stock management difficulties.

Given this situation, market policy is unlikely to have a significant effect on the situation of resources. Nevertheless, although the policy has only a marginal impact in terms of action against undersize landings, it deserves special attention.

The private storage mechanisms must be used with care. On first analysis it might seem tempting to store short-term surpluses when the general situation is one of structural shortages. However, the option of storage financed by the Community budget must not result in the creation of structural surpluses (cephalopods) or the financing of overfishing of small fish (Commission's refusal to finance the storage of Namibian hake) or production which can be controlled (aquaculture: the Community's decision to give financial assistance to this type of activity under the structural policy rather than the market policy).

The tuna compensation arrangements are a special case within the market organization. This is the only instance of direct income aid to producers. Its purpose is to offset the disadvantage to producers caused by the fact that there is no Community preference for this species. It must be considered in the overall context of a Community policy for tuna (access to resources through fisheries agreements, Community structural assistance or national aid for vessel construction, guaranteed income through the market organization).

Trade with third countries

The trade mechanisms (customs tariff, reference prices, protective measures) are designed to ensure application of the principle of Community preference.