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Annex to the

**ANNUAL REPORT FROM THE COMMISSION TO THE COUNCIL AND THE
EUROPEAN PARLIAMENT**

**on Member States' efforts during 2005 to achieve a sustainable balance between fishing
capacity and fishing opportunities**

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1. MEMBER STATES ANNUAL REPORTS

Member States Annual Reports are available on the Community Fleet Register "Europa" web site:
http://ec.europa.eu/fisheries/fleet/index.cfm?method=FM_Reporting.menu

2. MINUTES OF THE COMMITTEE FISHERIES AND AQUACULTURE MEETING - OPINION OF THE COMMITTEE ON THE ANNUAL REPORT FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT ON MEMBER STATES' EFFORTS DURING 2005 TO ACHIEVE A SUSTAINABLE BALANCE

COM stated that the updated version of the *Annual Report to the European Parliament and the Council on Member States' efforts during 2005 to achieve a sustainable balance between fishing capacity and fishing opportunities* has been sent by e-mail to all MS on 13 October 2006. COM reminded the meeting that the report has been on the Committee agenda several times over this year:

- On 28 March it has been introduced;
- On 4 July it has been presented;
- On 19 September it has been discussed (exchange of views).

COM also confirmed that the Committee would be asked to give its opinion today on the COM summary annual report. Opinion will be expressed in the form of this meeting's minutes, which accordingly will be attached to the COM report to the Parliament and the Council. MS reports also will be attached.

COM underlined the fact that some MS submitted their reports very late, but UK did not submitted its report at all. As a result COM faced serious difficulties in respect to its own deadlines

Since the last Committee meeting, COM has received comments from some MS. Almost all remarks were made regarding MS figures in table b – management of the entry exit regime. Some feedback was also received too late to be included in this year's report.

Some MS pointed out that meanwhile annual report is available only in English. Some SM also noted that there are some small discrepancies between their data and data shown in the annual report.

COM reminded the meeting that the annual report is written on the legal basis of Regulation 2371/2002. There were no objections received from MS. Therefore COM assumes that MS are happy with this report.

3. OPINION OF THE SCIENTIFIC, TECHNICAL AND ECONOMIC COMMITTEE FOR FISHERIES

Review of the annual report from the Commission to the Council and the European Parliament on Member States' effort during 2005 to achieve a sustainable balance between fishing capacity and fishing opportunities.

STECF conducted this review by correspondence following the plenary meeting held in Ispra from 6-10 November 2006

Background

Article 14 of Council Regulation (EC) No 2371/2002¹ and Article 12 of Commission Regulation (EC) No 1438/2004² require Member States to submit to the Commission, before 1 May each year, a report on their efforts during the previous year to achieve a sustainable balance between fleet capacity and available fishing opportunities. On the basis of these reports and the data in the Community Fishing Fleet Register³, the Commission produced for the year 2005, a summary⁴ which was presented to the 'Scientific Technical and Economic Committee for Fisheries' (STECF) and the 'Committee for Fisheries and Aquaculture'. This report presents the considered opinion of the STECF on the Commission's Summary Report.

STECF Comments and Recommendations

STECF notes that the Commission's report is presented in two main parts; one describing the rules governing the management of capacity and the information that member states are required to submit to the Commission, and a second describing the development of Member States' fleet capacities during 2005.

STECF is of the opinion that the aim of achieving a balance between fishing capacity and resource availability is crucial for the long-term viability of the EU fleets. Continued over-capacity and over capitalisation will tend to maintain over-exploitation, which is likely to result in unviable fisheries.

STECF notes that because of delays in submission of national reports by some member states and in inconsistencies in submissions, a common assessment of the Member States' reports was problematic and the Commission faced serious difficulties to respect its deadline (31 July 2006) for the submission of summary report to the STECF and the Committee for Fisheries and Aquaculture. Nevertheless, compared to those for 2004, the quality of the reports submitted by Member States has improved. Some Member States provided very detailed reports, whose content exceeded the information they were obliged to provide. However, other Member States did not respect the submission deadline or the annual report format and content established in Article 13 of Commission Regulation (EC) No 1438/2003. Member States also emphasised in their reports the

1 Council Regulation (EC) No 2371/2002 (OJ L 358 of 31 December 2002, p.59 -80)

2 Commission Regulation (EC) No 1438/2004 (OJ L 204 of 13 August 2004, p.21-28)

3 Commission Regulation (EC) No 26/2004 (OJ L 5 of 9 January 2004, p.25-35)

4 Annual Report from the Commission to the Council and the European Parliament on Member States' effort during 2005 to achieve a sustainable balance between fishing capacity and fishing opportunities

implementation of the national fleet management regime, but the assessment of the balance between fishing fleet capacity and available fishing opportunities is more complete than in previous reports.

For the mainland fleet, according to the Community Fleet Register the overall capacity of the Community fleet of the EU-15 Member States was reduced by 115,000 GT and 491,000 kW over the three-year period 2003 – 2005. This represents a net reduction of 6.17 % of the tonnage and 7.16 % of the power of the EU-15 fleet over two years. The net reduction during 2005 was of approximately 50,000 GT, correspond to 23,000 GT in 2004. STECF notes that these reductions appear to be relatively small, considering the high levels of fishing pressure in most Community fisheries, particularly for demersal species.

In the new Member States, starting from 1 May 2004, fleet capacity has been reduced by 41,000 GT and 101,000 kW, which represents a reduction of 18 % in tonnage and 18 % in power for their fleets compared to their fishing capacity on the accession date. During 2003, 2004 and 2005 approximately 132,000 GT and 427,000 kW were withdrawn from the EU fleet with public aid, which means that this capacity cannot be replaced. Of this capacity withdrawn with public aid, the overwhelming majority (112,000 GT and 373,000 kW) came from the EU-15 Member States. The capacity withdrawn by the New Member States with public aid since 1 May 2004 was 20,000 GT and 54,000 kW.

For the outermost regions, the fleet registered in the Spanish and Portuguese outermost regions has significantly reduced both in terms of tonnage and power. For the French overseas departments there has been a slight decrease in the total number of vessels and their tonnage and an increase in power.

While the reported reductions in GT and kW represent an attempt to achieve a balance between fishing capacity and available fishing opportunities, reductions in physical capacity alone, are insufficient to achieve this objective. Not only are the reported reductions rather trivial, compared to the existing imbalance between fishing opportunities and fleet capacity, to achieve such a balance, there is a need to reduce the EU fleet's capacity (ability) to catch fish, and not simply its physical capacity. In this context, STECF notes that the Commission's report indicates that the majority of Member States fishing effort reduction schemes have generally led to good results and helped to achieve a balance between fishing capacity and fishing opportunities. However, while effort reduction schemes may have delivered reductions in deployed fishing effort for some member states' fleets, there is little evidence that such schemes have delivered the reductions in exploitation rates required for many stocks.

STECF notes that the regulation concerning replacement capacity (page 4, paragraph 2a of the Commissions report) may not achieve its desired objective. While entry of capacity into the fleet of a Member State has to be compensated by the previous exit of at least the same amount of capacity, there is scope for the replacement vessel to achieve higher fishing capacity through increased bollard pull due to an alternative configuration of engine, main drive shaft and propeller. STECF recommends that consideration be given to the inclusion of an amendment to the regulation to include an additional clause to address this issue.

STECF notes that the capacity for some member states is still being reported as a combination of GT and GRT and that reported capacity changes may not reflect the true changes in capacity of member states' fleets. Without a common unit for tonnage it is difficult to judge whether the reported changes are meaningful.

STECF notes that the information included in member States Reports is not homogeneous. STECF suggests that a standardised form be prepared for circulation to Member States ahead of the production of their annual reports.

A current overriding objective arising from the Johannesburg Summit on Sustainable Development is to achieve exploitation rates that are consistent with Maximum Sustainable Yield (F_{msy}) by 2015. In principle this can be achieved with the existing EU fleet capacity, provided it is deployed in such a way that results in the desired level of fishing mortality. It is how the capacity is deployed that will influence the exploitation rate, and not the physical capacity itself. Hence, taken in isolation, the EU capacity management rules are rather a blunt instrument, which in principle may work against the objectives of fishery managers. Depending on the objectives of the managers, the decisions they take and the degree of compliance with those decisions, the desired balance between exploitation rates and resource availability could be achieved by a large capacity fleet being deployed for a small amount of time or a smaller fleet for a longer amount of time.

STECF therefore recommends that fishery managers agree a common set of objectives for those EU fleets that can be managed independently. Fisheries scientists and economists will then be able to evaluate the effects of different management measures that are designed to achieve those objectives and advise on the biological and economic consequences of such measures.