

## Working Document on the implementation of Art. 17 CFP - Europêche comments -

Brussels, 26 October 2021

### General remarks

Shortsighted report which does not look at real problems such as the impact of the landing obligation, Brexit or climate change in the distribution of quotas which are dramatically affecting all fishing fleets. In fact, climate change is not even cited once in the whole document. Strange for an MEP from The Greens.

Over 80.000 large and small EU vessels work together to guarantee the continuity of fish supply. Big doesn't mean bad! Fleet diversity is key, we simply cannot feed 500 million people in the EU with locally produced seafood (thereby the massive volume of seafood imports entering the EU market from 3<sup>rd</sup> countries).

The rapporteur is creating an artificial conflict between large-scale vs small-scale fishers that simply does not reflect the reality in many EU coastal communities. As a general rule, big vessels exploit stocks not accessible to small vessels, although conflicts may arise occasionally on certain shared stocks.

The artisanal fleet is not only an essential net contributor to the economy of the coastal communities, but also to the cultural, social and labor relations in the different European ports. Likewise, the so-called industrial fishing companies referred to in the report are family businesses that have existed for generations and are deeply rooted in and connected to local fishing communities. This applies to the vast majority of companies in Europe.

Many of the fleet segments in both the small and large-scale fleets are suffering from a lack of sufficient quota, to the point that vessels are being scrapped year after year. This however, should not lead to the conclusion that the EU should take away quota from better performing fleets (in socio-economic terms) or from vessels using a certain gear.

It is not legitimate to refer to the share of fishing opportunities of only quota species to conclude that Article 17 of the CFP is not being applied to the detriment of small-scale fishers (SSCFs).

1. The fishing opportunities available to SSCFs consist also, and often mainly, of species that are not managed under the TAC&Quota system, and for which they often (at least in France) enjoy preferential access.

In this vein, the STECF report on the social dimension of the CFP (STECF-20-14) stresses in response to the Terms of Reference assigned to it by DG MARE that: "*STECF notes that in analysing allocation of quota between the SSCF and the Large-Scale Fishers (LSF), allocation should be analysed in combination with other resources that might be available for small scale fleets (e.g. non-quota species and access rights to specific fishing grounds)*".

2. It is undeniable that SSCFs vessels have a low environmental footprint while upholding the highest social standards. However, the rapporteur cannot assume that LSFs perform poorly in environmental and social terms.

The following figures from the STECF's AER 2020 report already suggest that the use of energy per kilo of fish in LSF is extremely efficient in aggregated terms.

Figures highlighted in Yellow are deducted from others ones of the tab.

2018 figures (AER 2020) cf AER 2020 Annex, pages 65 et following.	North Sea		North Western Waters		South Western Waters	
	SCF	LSF	SCF	LSF	SCF	LSF
FTE	968	6 839	2 485	8 997	7 021	15 579
Landings (T)	21 520	1 434 758	71 103	1 012 403	54 924	458 500
Value of Landings (M€)	86,04	1 573,67	199,23	1 297,06	262,28	913,56
Fuel consumed ( m3)	13 101	451 159	32 540	421 254	32 769	264 745
GVA (M€)	55,21	945,24	138,24	690,23	196,28	519,03
Fuel intensity (liters/kg)	0,61	0,31	0,46	0,42	0,60	0,58
GVA (€)/FTE (proxy Labour productivity)	57 039	138 218	55 791	76 742	27 956	33 316
Mean wage <sup>REM</sup> (1000 x €)	35,5	66,3	33,0	48,5	18,0	26,0

REM : coming from the text of the mean report (regional analysis)

Generally speaking, LSF vessels are bigger and can provide larger accommodation spaces and state-of-the-art technologies on board. Therefore, LSF can offer good health, living and safety conditions for the crew in order to guarantee safety on board over long distances. Besides, international safety conventions are mainly addressed to fishing vessels over 24 meters.

- The Court of Justice of the EU considers that taking into account the track records for the allocation of fishing opportunities of species under quota is a way to consider the economic and social dimension (cf. judgment C-540/16). Furthermore, the CJEU considers in this judgment that Member States (MS) are not obliged to take into account all the criteria mentioned in Article 17, but mainly have the obligation to adopt objective and transparent criteria, to which the whole fishing industry agrees, including those of an environmental, social and economic nature. The obligation is explicitly addressed to MS and not to any other management body.

The criteria to be used by MS to allocate fishing opportunities may include, inter alia, the impact of fishing on the environment, the history of compliance, the contribution to the local economy and historic catch levels. In the CFP basic regulation there is no criteria explicitly referring to the gear used nor the size of the vessel.

- According to the latest STECF report titled "The EU fishing fleet 2020: Trends and economic results"<sup>1</sup>, in 2018 (pre-Covid), despite relatively low fuel prices, lower fuel consumption and progress in achieving sustainable fisheries, the data show a deterioration in all socio-economic indicators for the LSF (see tables below). This shows that reduced TACs are currently hitting the LSF and further reductions through mandatory redistribution of quota would be a death blow to the LSF industry.

<sup>1</sup> <https://op.europa.eu/en/publication-detail/-/publication/4f1bd7fd-8155-11eb-9ac9-01aa75ed71a1> (page 16)

Small-scale coastal fleet	Large-scale fleet	Distant-water fleet
■ Revenue: EUR 1.1 billion (- 2 %)	■ Revenue: EUR 4.7 billion (- 2 %)	■ Revenue: EUR 1.0 billion (- 7 %)
■ GVA: EUR 728 million (- 3 %)	■ GVA: EUR 2.6 billion (- 7 %)	■ GVA: EUR 387 million (- 21 %)
■ Gross profit: EUR 233 million (+ 4 %)	■ Gross profit: EUR 1.1 billion (- 12 %)	■ Gross profit: EUR 161 million (- 38 %)
■ Net profit: EUR 105 million (+ 4 %)	■ Net profit: EUR 621 million (- 17 %)	■ Net profit: EUR 60 million (- 62 %)
■ Jobs (FTEs): 40 607 (- 3 %)	■ Jobs (FTEs): 49 874 (- 4 %)	■ Jobs (FTEs): 7 389 (+ 1 %)

## Specific comments

Any MEP should refrain him- or herself from spreading name-and-shame attacks against a particular company (in this case France Pélagique). The Parliament should analyse the issue in an objective manner and abstain from criticizing perfectly legal operations. In this vein, it is even stranger that the rapporteur considers The Netherlands, where France Pélagique's vessels land the catches, as a third country and not as a MS. Does the rapporteur agree with the idea of the EU's Single Market and the fundamental principles of free movement of workers, capital and goods? Or does the rapporteur wants to change the existing EU rules, which would introduce also an argument for the catches coming from UK waters to be landed in UK (including those of the French SCF vessels fishing in Channel islands or in the UK 12 miles)?

The criteria used for the allocation of toothfish fishing opportunities in the French Austral territories do not fall under the scope of CFP and therefore should not be analysed under Art. 17 of the CFP. This specific case is not transposable to the European fisheries since the French toothfish fishery is a mono-specific, single-gear fishery, which is not shared between several flags when a number of EU fisheries are multi-specific, involving different gears, and shared between several MS and even often third countries.

The French Court's ruling, which the working paper cites as "crucial", is a first instance judgment that the French government is challenging on appeal. Therefore, cannot be used as consolidated jurisprudence in this report since the court case is still ongoing.

Finally, the rapporteur calls for the establishment of a target that 30% of fishing opportunities be distributed on criteria of an environmental and social nature by 2030. This approach may trigger a redistribution of the existing quota. Once again, the sector faces arbitrary calls from policy-makers not based on science. Why 30% and not 20% or 40%? Is it because the rapporteur makes it coincide with the call for 30% Marine Protected Areas? Is it because of the year 2030? Where is the scientific evidence supporting this percentage? How does the rapporteur think to implement this target in MS where quotas are not allocated to POs and globally to vessels that are not members of POs? What about non-quota species?

**Europêche opposes to any redistribution of quota not based on scientific and objective criteria since it would be not only discriminatory for the companies affected, particularly for those small and large investing in sustainability, but would also breach the principles of legitimate expectations, acquired rights and legal certainty.**