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from: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 19 December 2007

to: Mr Javier SOLANA, Secretary-General/High Representative

Subject: COMMISSION STAFF WORKING DOCUMENT
Annex I to the Annual report from the Commission to the European Parliament
and the Council on Member States' efforts during 2006 to achieve a sustainable
balance between fishing capacity and fishing opportunities

Delegations will find attached Commission document SEC(2007) 1703.

Encl.: SEC(2007) 1703



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 19.12.2007
SEC(2007) 1703

COMMISSION STAFF WORKING DOCUMENT

Annex I to the

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

**on Member States' efforts during 2006 to achieve a sustainable balance between fishing
capacity and fishing opportunities**

**[COM(2007) 828 final
SEC(2007) 1704]**

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FLEET MANAGEMENT IN THE COMMON FISHERIES POLICY

Entry/exit scheme

Since 1 January 2003 Member States have been under an obligation to comply with a strict entry/exit scheme applying to the capacity of their mainland fleets¹, measured in terms of both tonnage and engine power. Before any new capacity enters the fleet of a Member State, first it has to be compensated by the exit of at least the same amount of capacity (entry-to-exit ratio of 1:1). The only exceptions are capacity increases as a result of work to improve safety, hygiene or living and working conditions on board, as provided for by Article 11(5) of Council Regulation (EC) No 2371/2002. For new vessels between 100 and 400 GT built with public aid (administrative decisions granting aid were allowed only until 31 December 2004) the Member State concerned has to withdraw 35% more capacity than it introduces (entry-to-exit ratio of 1:1.35).

Another important rule is that capacity withdrawn from the fleet with public aid cannot be replaced. It is subtracted directly from the maximum fleet capacity of each Member State. Capacity reductions supported by public aid are therefore permanent. However, one exception to this rule was adopted by the Council as an amendment to Regulation 2371/2002². This allows Member States to rebuild 4% of the tonnage scrapped with public aid in order to improve safety, working conditions, hygiene and product quality. This measure has to give priority to small-scale fishing vessels. The Council also decided that any reduction in vessel power as a result of replacement of engines with public aid would be treated as a permanent capacity reduction with public aid. These rules are not reflected in this report, because at the time of writing it the amendment to the implementing rules on the Community fleet policy had yet to be adopted. All this means that, as a general rule, the capacity of the national fleets cannot increase above its levels on 1 January 2003, in the case of the EU-15 Member States, and on 1 May 2004 for the EU-10 Member States, which joined the Community on that date.

In practice, this is likely to be the case. However, Articles 6, 6a, 7 and 7a of Commission Regulation (EC) No 1438/2003 laying down the implementing rules on the fleet policy allow vessels to be registered outside the framework of the entry/exit scheme if the relevant administrative decisions were adopted by the national authorities:

- a) between 1 January 2000 and 31 December 2002 for vessels which enter the fleet after 1 January 2003 in the EU-15 Member States; and
- b) between 1 May 2001 and 30 April 2004 for vessels which enter the fleet after 1 May 2004 in the EU-10 Member States.

The Commission has proposed to extend the above-mentioned transition period from three to five years. This extension is one of the amendments to the implementing rules on the fleet policy which were in the process of adoption at the time of writing this report and therefore is not taken into account in this report.

As a result of this combination of rules, the Commission calculates a variable capacity ceiling for the fleet of each Member State, excluding the fleets registered in the outermost regions. Figure 1 compares the sum of all the Member States' capacity ceilings with the total capacity of the

¹ For fleets registered in the outermost regions the rules are slightly different (see below).

² Council Regulation (EC) No 865/2007 of 10 July 2007.

Community fleet since 1 January 2003. Detailed results per Member State are available on the Europa website³.

The capacity of each Member State in relation to its capacity ceiling on 31 December 2006 is shown in Table 1.

Reference levels for the mainland fleet

As established by Article 12 of Council Regulation (EC) No 2371/2002, the reference levels for the fleets of Member States are the sum of the global final objectives of the Fourth Multiannual Guidance Programme (MAGP IV). Since the reference levels are a legacy from MAGP IV⁴ (which covered the period 1997-2002), the Council decided that they would not apply to the EU-10 Member States (Council Regulation (EC) No 1242/2004⁵). Member States may not exceed their reference levels at any time.

In the same way as for the entry/exit scheme, the reference levels are revised to take account of the amount of capacity scrapped, the increase in tonnage under Article 11(5) of Regulation 2371/2002 and the 35% extra capacity withdrawn for new vessels of 100 GT or more built with public aid after 1 January 2003. In addition, Member States which granted aid for construction of vessels until the end of 2004 had their initial 2003 reference level reduced by at least 3% by the end of 2004.

Figure 2 compares the capacity of the EU-15 fleets with the reference levels for those Member States. For the majority of the EU-15 Member States, the reference levels are in fact much higher than the capacity ceilings under the entry/exit scheme, which makes the former irrelevant. Detailed results per Member State are available on the website of the Directorate-General for Fisheries and Maritime Affairs.

Management of fleet reference levels in the outermost regions

The fishing fleets registered in the outermost regions of the Community, i.e. the French overseas departments, the Spanish Canary Islands and the Portuguese Azores and Madeira, have to comply with specific reference levels for these regions in accordance with Council Regulation (EC) No 639/2004⁶ and Commission Regulation (EC) No 2104/2004⁷. The Commission has proposed amending the reference levels for some of the outermost regions but at the time of writing this report the amendment had not yet been adopted. The new reference levels will be taken into account in the next annual report.

Measurement of tonnage

The measurement of the Community fleet is based on Council Regulation (EC) No 3259/94⁸ and Commission Decision No 95/84/EC⁹. These stipulate that the tonnage of vessels of 15 metres or more in length has to be measured in accordance with the London Convention, i.e. as a function of the vessel's total enclosed volume, while for vessels of less than 15 metres in length the Regulation defines a system of tonnage calculation based on an estimate of the hull's volume.

³ http://ec.europa.eu/fisheries/fleet/index.cfm?method=FM_Reporting.AnnualReport.

⁴ Fourth Multiannual Guidance Programme.

⁵ Council Regulation (EC) No 1242/2004 (OJ L 236, 7.7.2004, pp. 1–2).

⁶ Council Regulation (EC) No 639/2004 (OJ L 102, 7.4.2004, pp. 9–11).

⁷ Commission Regulation (EC) No 2104/2004 (OJ L 365, 10.12.2004, pp. 19–21).

⁸ Council Regulation (EC) No 3259/94 (OJ L 339, 29.12.1994, pp. 11–13).

⁹ Commission Decision No 95/84/EC (OJ L 67, 25.3.1995, pp. 33–36).

The fleet should have been measured entirely in accordance with Community law by 31 December 2003. Nevertheless, at the end of 2006 some Member States still had a small number of vessels that were not yet measured in GT. In such cases the national tonnage measured (GRT) is used for the calculations and graphs.

Certification of engine power

The Commission Communication to the European Parliament and the Council on improving fishing capacity and fishing effort indicators under the common fisheries policy¹⁰ recognised that certification of engine power is not satisfactory. The Commission is working on a proposal for a new engine power certification system that will guarantee that the registered power of fishing vessels equals the maximum continuous power that can be used for propulsion, as defined in Article 5 of Council Regulation 2930/86.

Community Fishing Fleet Register

In 2004 the new Community Fleet Register (CFR) was set up in accordance with Commission Regulation (EC) No 26/2004. This more comprehensive CFR was necessary in order to follow up the new CFP rules for managing the fishing capacity of the EU fleet, which entered into force on 1 January 2003. This system, following the 2002 CFP reform, puts greater responsibility on the Member States for striking a better balance between the fishing capacity of their fleets and the available resources. Undoubtedly, the new CFR allows better monitoring of the MS' fishing fleets. Furthermore, the results and data quality in MS' snapshots have improved significantly since 1 September 2004.

The CFR is the main tool for monitoring the fishing fleet. In accordance with Commission Regulation (EC) No 26/2004, Member States are under an obligation to transmit all relevant information electronically on a quarterly basis ("snapshots" must be sent on the first working day in March, June, September and December) on the characteristics of 86 776 marine fishing vessels (total on 31 December 2006), together with information on entries to and exits from the fleet. Furthermore, the CFR is managed via a web-based application, called the Community Fleet Register On the NeT (FRONT). FRONT is also available for the general public at: <http://ec.europa.eu/comm/fisheries/fleet/index.cfm>.

One important point to note is that all the information provided in this Annex and on Europa¹¹ has been taken from the CFR, with the exception of:

- data on entries corresponding to administrative decisions taken by national authorities before 1 January 2003 (or 1 May 2004 for the EU-10 Member States) and to which the special transitional provisions established in the Regulation apply;
- data on exits with public aid in some cases where this information was not available.

Only in these two cases has the information been taken directly from the Member States.

¹⁰ COM(2007) 39 final (Brussels, 5 February 2007).

Trends in the capacity of the Community fishing fleet

Figures 4, 5 and 6 record trends in fishing capacity in the Community. They are based on the data available in the CFR and cover the whole Community fleet, including the vessels registered in the outermost regions. They show the trends in the capacity of the Community fishing fleet since 1992. The tonnage graph needs to be interpreted with care, since the tonnage measurement units have changed over the period covered; this can easily be seen between 1999 and 2001. Despite this shortcoming, these graphs show a steady but modest decline in fleet capacity in terms of both tonnage and engine power and a slightly bigger reduction in terms of number of vessels. It can also be seen that the successive enlargements have moderately increased the overall fishing capacity, but that the downward global trend has remained unchanged.

TABLES AND GRAPHS

Table 1: Compliance with entry/exit ceilings on 31/12/2006 (except outermost regions)

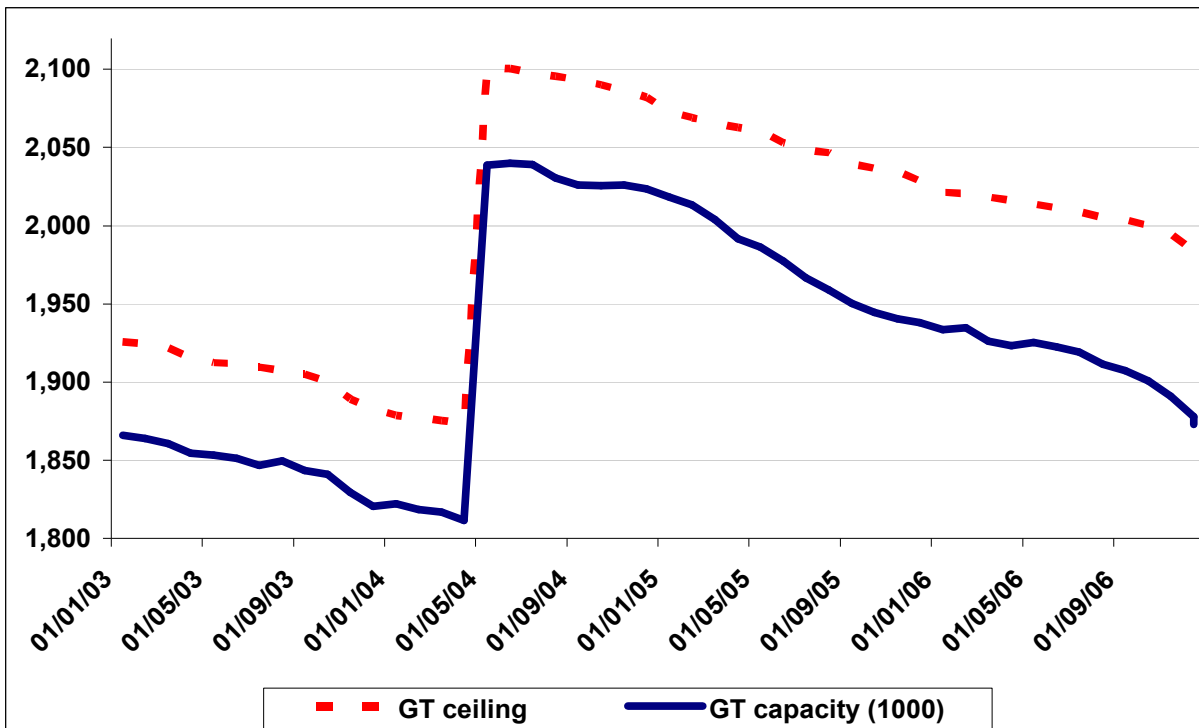
Member State	GT			kW		
	Fleet capacity A	Entry/exit ceiling B	A/B	Fleet capacity C	Entry/exit ceiling D	C/D
	on 31/12/2006			on 31/12/2006		
Belgium	20 035	21 346	93.86%	60 190	60 499	99.49%
Denmark	87 202	93 555	93.21%	310 869	328 768	94.56%
Germany	61 642	71 105	86.69%	154 869	167 133	92.66%
Estonia	20 826	24 840	83.84%	53 340	60 335	88.41%
Greece	92 511	94 901	97.48%	529 273	533 922	99.13%
Spain	444 983	437 721	101.66%	1 020 783	1 131 024	90.25%
France	194 330	193 920	100.21%	830 227	845 416	98.20%
Ireland	80 572	82 957	97.12%	206 420	217 138	95.06%
Italy	207 003	207 223	99.89%	1 198 133	1 227 965	97.57%
Cyprus	5 475	11 421	47.93%	40 876	50 303	81.26%
Latvia	37 250	41 621	89.50%	61 220	67 765	90.34%
Lithuania	61 822	74 930	82.51%	68 425	77 522	88.27%
Malta	15 185	16 374	92.74%	98 617	125 710	78.45%
Netherlands	142 323	175 683	81.01%	332 712	384 630	86.50%
Poland	31 600	32 551	97.08%	99 909	102 638	97.34%
Portugal	93 167	97 999	95.07%	318 962	328 140	97.20%
Slovenia	1 068	1 076	99.29%	11 168	11 516	96.98%
Finland	16 413	18 268	89.85%	169 383	183 691	92.21%
Sweden	43 952	45 696	96.18%	217 189	223 408	97.22%
United Kingdom	215 821	236 461	91.27%	871 144	934 586	93.21%
Total at 31/12/2006	1 873 179	1 979 647	94.62%	6 653 709	7 062 107	94.22%

Data extracted from the Community Fleet Register on 23/10/2007

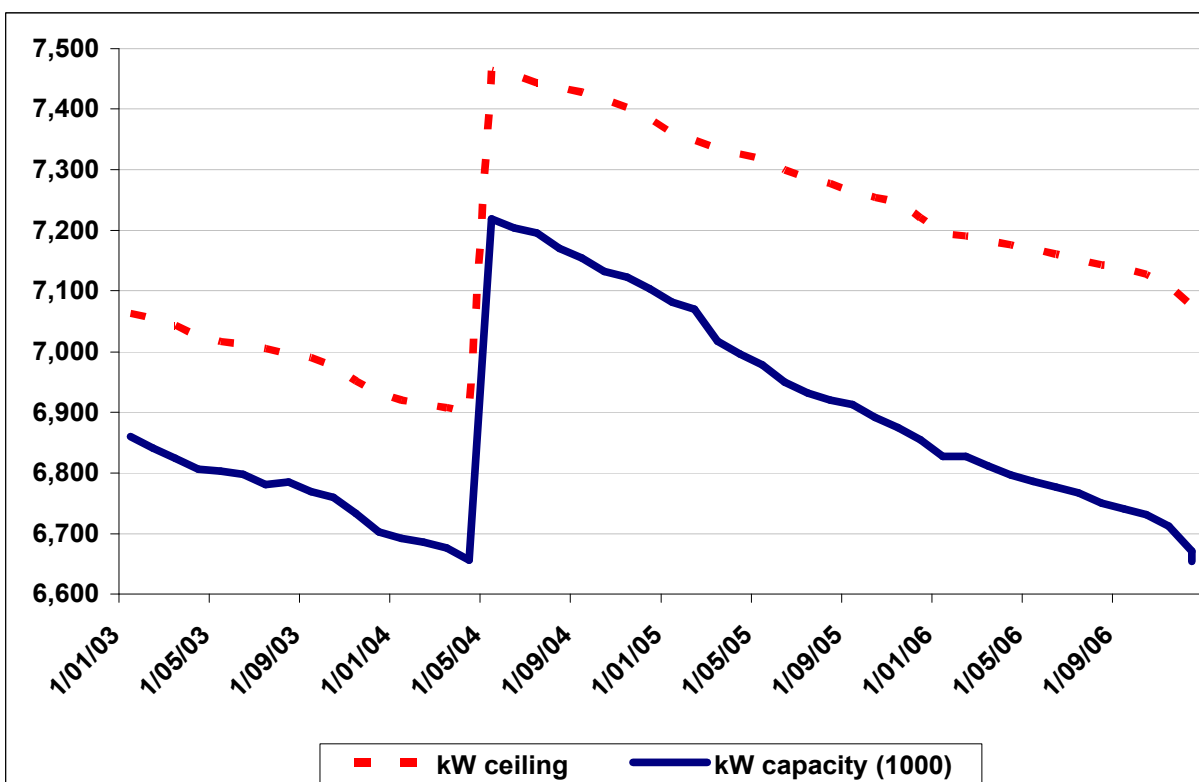
Bold italic indicates that the ceiling has been exceeded.

**Figure 1: Overall trend in the Community fleet capacity ceiling (except outermost regions)
(Situation as recorded in the Community Fleet Register on 23/10/2007)**

**Tonnage of the Community fleet compared with its tonnage ceiling
Change between 1/01/2003 and 31/12/2006**



**Engine power (kW) of the Community fleet compared with its power ceiling
Change between 1/01/2003 and 31/12/2006**



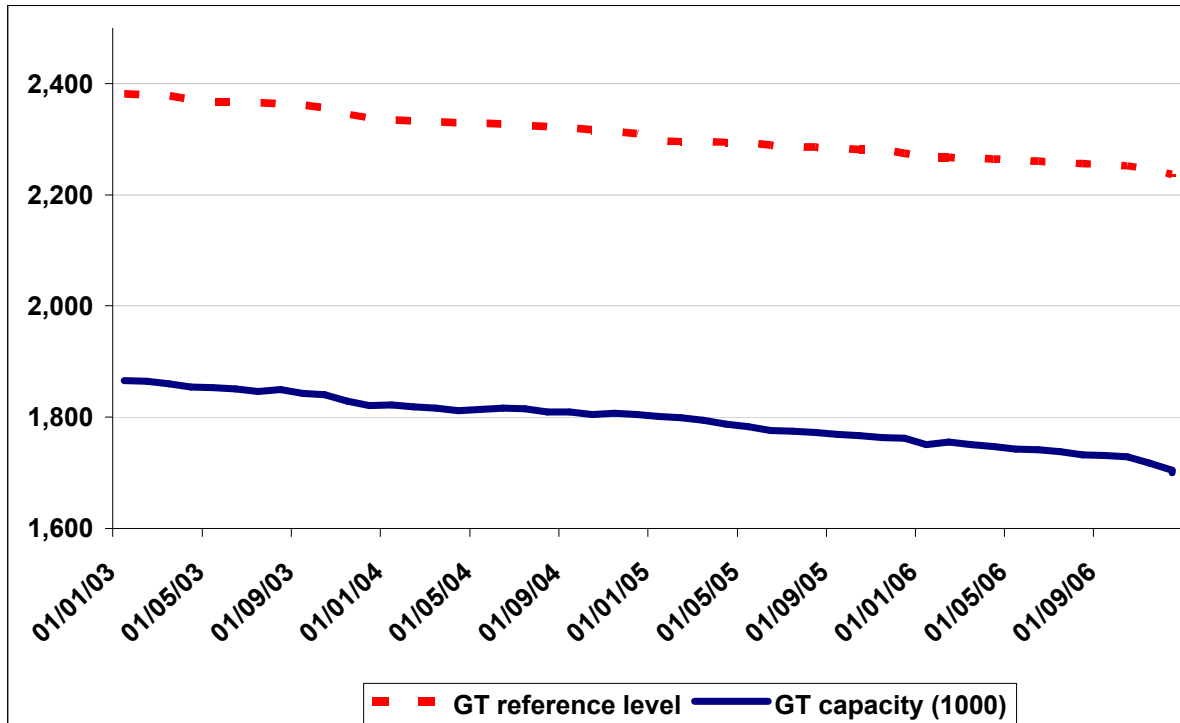
Note: The increase in the overall fleet capacity on 1 May 2004 is due to the accession of the EU-10 Member States

Table 2: Compliance with reference level at 31/12/2006 (except outermost regions)

Member State	GT			kW		
	Fleet capacity A	Reference level B	A/B	Fleet capacity C	Reference level D	C/D
	on 31/12/2006			on 31/12/2006		
Belgium	20 035	21 346	93.86%	60 190	60 499	99.49%
Denmark	87 202	122 944	70.93%	310 869	421 442	73.76%
Germany	61 642	84 250	73.17%	154 869	175 883	88.05%
Greece	92 511	108 587	85.20%	529 273	592 754	89.29%
Spain	444 983	677 857	65.65%	1 020 783	1 546 903	65.99%
France	194 330	211 435	91.91%	830 227	854 220	97.19%
Ireland	80 572	82 957	97.12%	206 420	217 138	95.06%
Italy	207 003	216 154	95.77%	1 198 133	1 271 896	94.20%
Netherlands	142 323	204 011	69.76%	332 712	490 454	67.84%
Portugal	93 167	161 171	57.81%	318 962	385 868	82.66%
Finland	16 413	21 659	75.78%	169 383	209 769	80.75%
Sweden	43 952	50 516	87.00%	217 189	253 197	85.78%
United Kingdom	215 821	269 421	80.11%	871 144	1 084 189	80.35%
Total at 31/12/2006	1 699 952	2 232 308	76.15%	6 220 154	7 564 212	82.23%

**Figure 2: Overall trend of the Community fleet reference level
(MS concerned and except outermost regions)
Situation as recorded in the Community Fleet Register on 23/10/2007**

**Tonnage of the Community fleet compared with its reference level
Change between 1/01/2003 and 31/12/2006**



**Engine power (kW) of the Community fleet compared with its reference level
Change between 1/01/2003 and 31/12/2006**

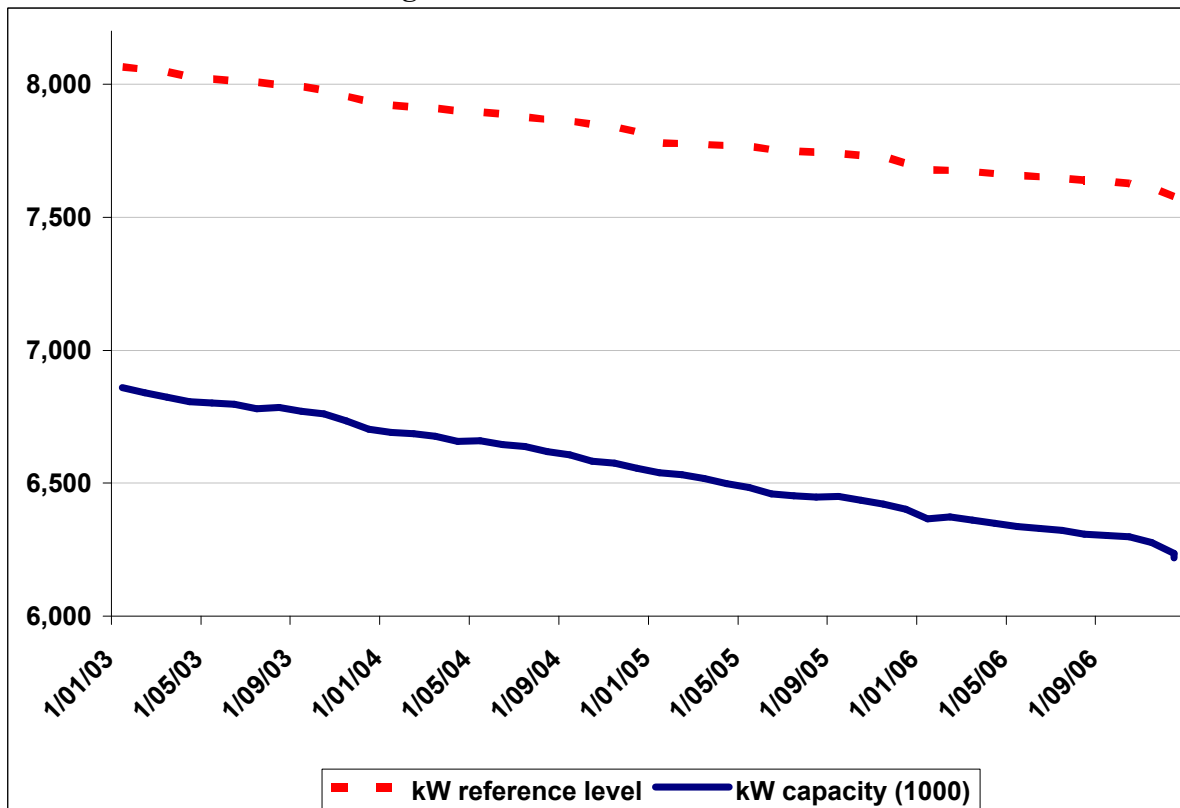


Table 3: Summary of trends in Member States' fleets from: 01/01/2003 to 31/12/2006 (except outermost regions)

EU-15 Member States	01/01/2003			31/12/2006			Fleet capacity variations				
	Number of vessels	GT	kW	Number of vessels	GT	kW	Number of vessels	Δ GT	Δ GT in %	Δ kW	Δ kW in %
BE	131	24 281	68 083	107	20 035	60 190	- 24	- 4 246	-17.49%	- 7 893	-11.59%
DK	3 815	103 317	366 852	3 140	87 202	310 869	- 675	- 16 115	-15.60%	- 55 983	-15.26%
DE	2 244	66 844	161 045	2 016	61 642	154 869	- 228	- 5 202	-7.78%	- 6 176	-3.83%
EL	19 202	101 698	593 431	17 928	92 511	529 273	- 1 274	- 9 187	-9.03%	- 64 159	-10.81%
ES	13 628	465 583	1 145 013	12 207	444 983	1 020 783	- 1 421	- 20 600	-4.42%	- 124 230	-10.85%
FR	5 710	211 851	910 106	5 232	194 330	830 227	- 478	- 17 521	-8.27%	- 79 879	-8.78%
IE	1 593	86 341	228 379	1 789	80 572	206 420	196	- 5 770	-6.68%	- 21 960	-9.62%
IT	15 751	216 037	1 277 949	14 102	207 003	1 198 133	- 1 649	- 9 034	-4.18%	- 79 816	-6.25%
NL	779	183 678	418 521	730	142 323	332 712	- 49	- 41 355	-22.51%	- 85 809	-20.50%
PT	8 209	99 701	332 150	7 547	93 167	318 962	- 662	- 6 534	-6.55%	- 13 188	-3.97%
FI	3 572	19 812	190 116	3 196	16 413	169 383	- 376	- 3 399	-17.16%	- 20 733	-10.91%
SE	1 814	45 919	225 123	1 574	43 952	217 189	- 240	- 1 967	-4.28%	- 7 934	-3.52%
UK	7 424	241 027	942 629	6 822	215 821	871 144	- 602	- 25 206	-10.46%	- 71 485	-7.58%
Total	83 872	1 866 089	6 859 398	76 390	1 699 952	6 220 154	- 7 482	- 166 137	-8.90%	- 639 244	-9.32%

EU-10 Member States	01/05/2004			31/12/2006			Fleet capacity variations				
	Number of vessels	GT	kW	Number of vessels	GT	kW	Number of vessels	Δ GT	Δ GT in %	Δ kW	Δ kW in %
EE	1 055	26 619	65 026	995	20 826	53 340	- 60	- 5 793	-21.76%	- 11 686	-17.97%
CY	901	11 981	52 819	874	5 475	40 876	- 27	- 6 507	-54.31%	- 11 942	-22.61%
LV	898	44 450	74 108	897	37 250	61 220	- 1	- 7 199	-16.20%	- 12 888	-17.39%
LT	307	76 506	80 626	265	61 822	68 425	- 42	- 14 684	-19.19%	- 12 201	-15.13%
MT	2 251	16 464	126 389	1 415	15 185	98 617	- 836	- 1 278	-7.76%	- 27 771	-21.97%
PL	1 280	47 324	151 144	884	31 600	99 909	- 396	- 15 724	-33.23%	- 51 235	-33.90%
SI	173	1 058	10 967	171	1 068	11 168	- 2	11	1.01%	202	1.84%
Total	6 865	224 402	561 077	5 501	173 226	433 555	- 1 364	- 51 175	-22.81%	- 127 521	-22.73%
Total EU fishing fleet on 31/12/2006				81 891	1 873 179	6 653 709					

Data extracted from the Community Fleet Register on 23/10/2007

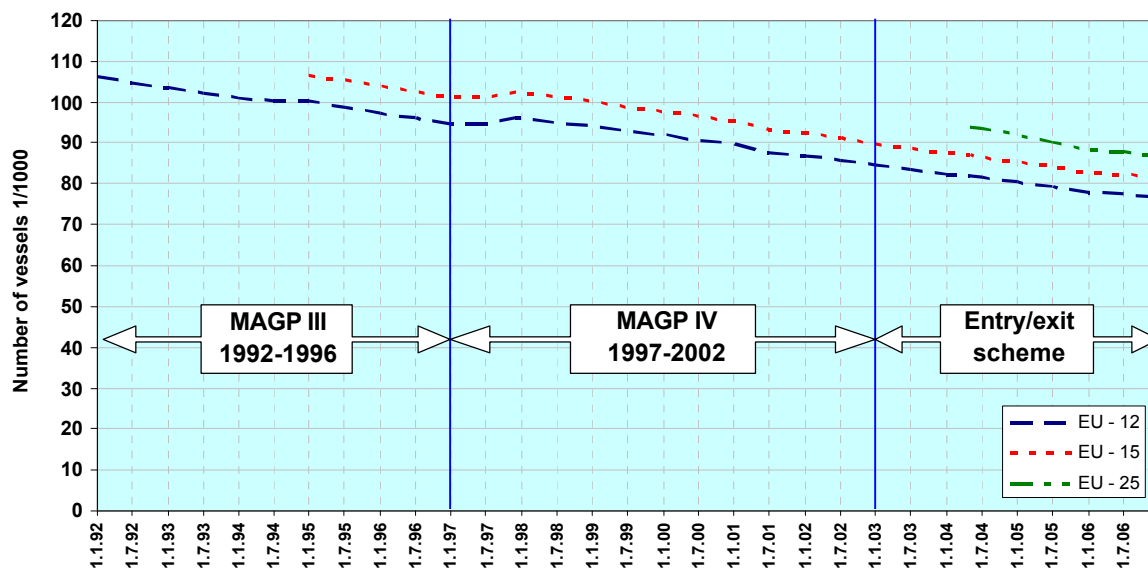
Table 4: Summary of trends in Member States fleets capacity in the outermost regions from: 01/01/2003 to 31/12/2006

		01/01/2003			31/12/2006			Fleet capacity variations				
Member State	Segment code*	Number of vessels	GT	kW	Number of vessels	GT	kW	Number of vessels	Δ GT	Δ GT in %	Δ kW	Δ kW in %
Spain	CA1	1,083	2,119	16,555	991	1,974	16,110	-92	-145	-6.82%	-445	-2.69%
	CA2	100	4 019	14 749	83	3 092	11 678	- 17	- 927	-23.06%	- 3 071	-20.82%
	CA3	133	46 202	84 118	75	30 138	44 109	- 58	- 16 064	-34.77%	- 40 010	-47.56%
	Total	1 316	52 339	115 422	1 149	35 204	71 898	- 167	- 17 135	-32.74%	- 43 525	-37.71%
France	4FC	248	343	10 943	242	392	12 406	- 6	49	14.21%	1 463	13.37%
	4FD	46	4 174	13 553	46	4 025	14 082	0	- 150	-3.59%	529	3.90%
	4FF	71	284	3 840	96	379	4 939	25	95	33.51%	1 099	28.62%
	4FG	53	5 994	17 173	45	4 946	14 408	- 8	- 1 048	-17.49%	- 2 765	-16.10%
	4FH	5	288	1 010	5	143	631	0	- 144	-50.18%	- 379	-37.52%
	4FJ	1 097	2 065	59 005	1 153	2 130	71 122	56	65	3.17%	12 117	20.54%
	4FK	8	848	2 598	5	266	1 498	- 3	- 582	-68.67%	- 1 100	-42.34%
	4FL	915	2 465	96 814	847	2 371	104 907	- 68	- 93	-3.78%	8 093	8.36%
	4FM	1	12	220	1	12	220	0	0	0.00%	0	0.00%
Total	2 444	16 472	205 156	2 440	14 664	224 213	- 4	- 1 809	-10.98%	19 057	9.29%	
Portugal	4K6	421	399	2 711	417	441	3 319	- 4	43	10.73%	608	22.44%
	4K7	51	3 622	12 746	46	3 026	10 754	- 5	- 597	-16.47%	- 1 992	-15.63%
	4K8	5	193	1 006	5	192	1 060	0	- 2	-0.82%	54	5.34%
	4K9	1 475	2 265	20 402	592	1 489	19 938	- 883	- 776	-34.25%	- 464	-2.27%
	4KA	115	10 000	29 489	114	8 540	25 717	- 1	- 1 460	-14.60%	- 3 771	-12.79%
Total	2 067	16 480	66 353	1 174	13 688	60 788	- 893	- 2 792	-16.94%	- 5 565	-8.39%	
EU outermost regions		5 827	85 292	386 931	4 763	63 556	356 898	- 1 064	- 21 736	-25.48%	- 30 033	-7.76%

Data extracted from the Fleet Register on: 23/10/2007

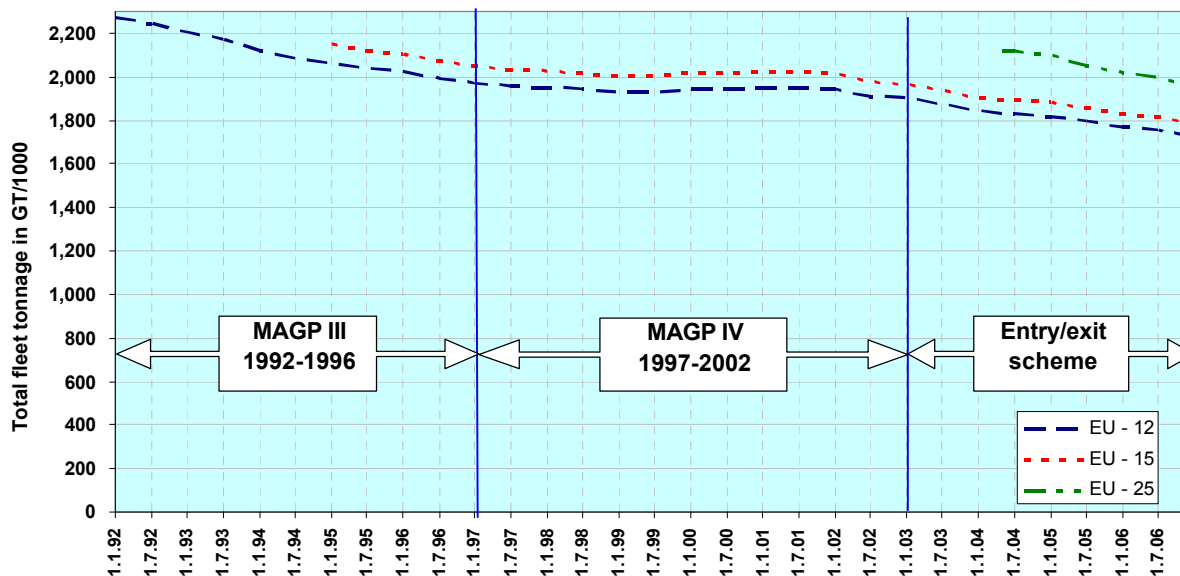
Note: For a description of the segmentation codes of the fleets in the outermost regions see http://ec.europa.eu/fisheries/fleet/index.cfm?method=FM_Reporting.menu

Figure 3. Trends in the number of vessels in the EU fishing fleet



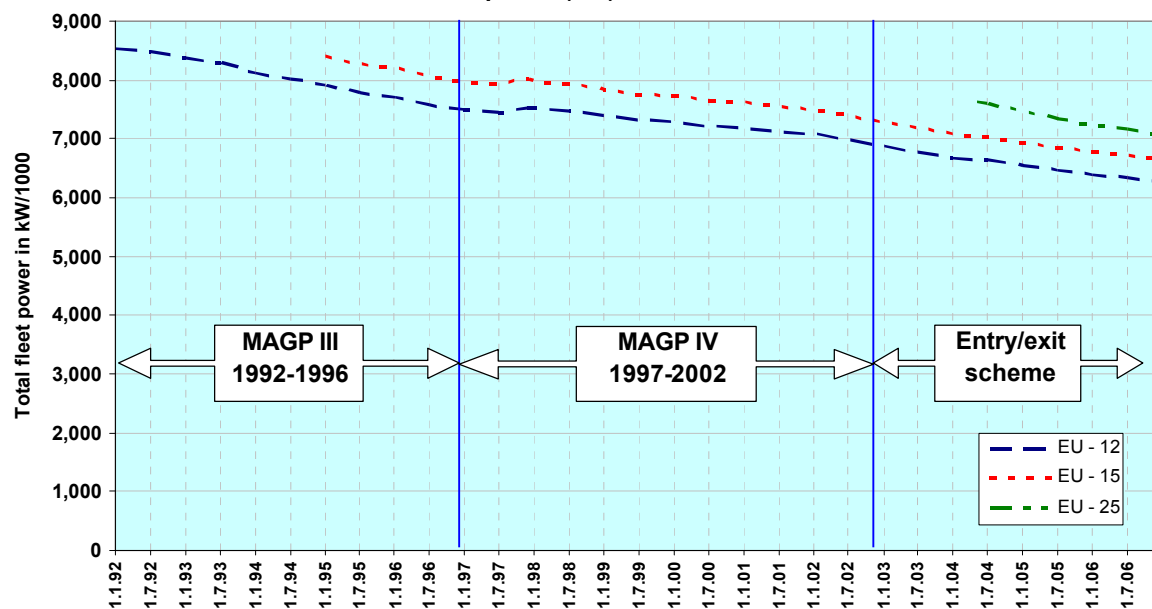
N.B.: The increase in the number of vessels shown in 1998 is due to the inclusion in the Community Fleet Register of the vessels registered in the French outermost regions.

Figure 4. Trends in the EU fishing fleet capacity in terms of tonnage between 1992 and 2006



N.B.: The increase in tonnage shown between 1999 and 2001 is only apparent; it is due to the transition from the national tonnage measurement systems to the Community system. On average, the GT tonnage of a vessel is greater than its tonnage measured in the national units

Figure 5. Trends in the EU fishing fleet capacity in terms of power (kW) between 1992 and 2006



N.B.: The increase in power shown in 1998 is due to the inclusion in the Community Fishing Fleet register of the vessels registered in the French outermost regions.