



No **61** May 2013

# FISHERIES AND AQUACULTURE IN EUROPE

- 🐟 **Common market organisation:  
knowing the market better**
- 🐟 Fisheries support: analysing its effectiveness
  - 🐟 Stock: North Sea herring
- 🐟 Port: Valletta hosts European Maritime Day

## Conferences and meetings

**NASCO, annual meeting,  
Drogheda (Ireland), 4-7 June 2013**

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**IATTC, meeting of the parties, La Jolla  
(California, United States), 2-14 June 2013**

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**NAFO, annual meeting, Halifax  
(Nova Scotia, Canada), 23-27 September 2013**

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## Institutional agenda

**European Parliament Committee on Fisheries**

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Tel.: +32 2 284 49 09 (Brussels, Belgium)

or +33 3 88 17 67 69 (Strasbourg, France)

• 10 July 2013, Brussels (Belgium)

• 5 September 2013, Brussels (Belgium)

• 18 September 2013, Brussels (Belgium)

**Agriculture and Fisheries Council of the European Union**

Website: <http://www.consilium.europa.eu>

• 15 July 2013, Brussels (Belgium)

• 23 September 2013, Brussels (Belgium)

• 17-18 October 2013, Luxembourg (Grand Duchy of Luxembourg)

2 CALENDAR

3 EDITORIAL

Smarter selling: a way to fish less

4-7 FACT FILE

Common market organisation:  
Knowing the market better to boost earnings

8 IN THE NEWS

Commission reviews effectiveness  
of fisheries support

9 FOCUS

An historic stock in more ways than one

10-11 OUT AND ABOUT

Valetta invests in tourism and maritime leisure

12 IN BRIEF

### Note to readers

We welcome your comments or suggestions at the following address:  
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or by fax to: (+32) 2 297 95 64 with reference to  
*Fisheries and aquaculture in Europe*.  
E-mail: [fisheries-magazine@ec.europa.eu](mailto:fisheries-magazine@ec.europa.eu)

- 
- Website of Maria Damanaki, European Commissioner for Maritime Affairs and Fisheries  
> [http://ec.europa.eu/commission\\_2010-2014/damanaki/index\\_en.htm](http://ec.europa.eu/commission_2010-2014/damanaki/index_en.htm)
  - Application: the European Maritime Atlas > [http://ec.europa.eu/maritimeaffairs/atlas/index\\_en.htm](http://ec.europa.eu/maritimeaffairs/atlas/index_en.htm)
  - Fisheries site > [http://ec.europa.eu/fisheries/index\\_en.htm](http://ec.europa.eu/fisheries/index_en.htm)
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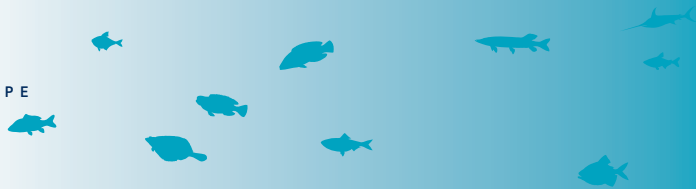
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# Smarter selling: a way to fish less

There are major changes ahead for the common organisation of the markets in fisheries and aquaculture products. The Parliament and the Council have amended the European Commission's proposals and are currently negotiating an agreement. But it is already clear that the sector will soon benefit from two innovative tools: production and marketing plans, on the one hand, and the European Market Observatory for fisheries and aquaculture products, on the other. Both are discussed in detail in this issue's Fact File.

During the 2008 fuel crisis, it became apparent that one way to rein in rising energy costs was for fishermen to increase the profits they made on their catches. There was one obstacle, though: fishermen are primarily producers and take less of an interest in the commercial side of the activity. They fish more in terms of what the sea has to offer – and their quotas – than of what interests buyers. As a result, fishermen are obliged to accept the going rate for what they bring back in their nets, without having the power to act on setting prices.

To gain this power, they need to develop what is referred to as 'economic intelligence'. In other words, they have to become familiar with market mechanisms and, based on this knowledge, add value to what they sell by playing on demand. But to secure this knowledge, fishermen and fish farmers – or at least the organisations that represent them – need access to market data. These data exist but are scattered and not always accessible. It is precisely to address this situation that the European Observatory has been set up as a tool for market transparency.

This is a huge step forward for the sector, which now has the means to analyse its commercial functioning in detail. But tools are only worthwhile if they are used. So the Commission wants to encourage producer organisations to develop commercial tactics and strategies, using, among others, the Observatory.

The aim is to sell smarter. By being more attentive to buyers' demand, fishermen can supply what buyers want and get a better price. Since more than 60% of fisheries and aquaculture products consumed in the European Union are imported, it is logical to suppose that there is considerable leeway to increase opportunities to please buyers with local products.

But the aim is also to fish less, or in any case to fish more efficiently. By matching their production more closely to buyers' expectations, fishermen will tend more to produce in the aim of 'filling an order', without bringing in goods that will not find a buyer. Obviously, sustainable fishing stands to gain.

The Editor



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*The objective of the new common market organisation is to incentivise producer organisations to develop real marketing strategies, identify market opportunities and focus more on added value than on volume.*

## FACT FILE

### Common market organisation

# Knowing the market better to boost earnings

**As part of the reform of the common fisheries policy (CFP), the European Commission wants to empower producer organisations to take a more market-based, commercial, approach. The aim is to ‘sell smarter’ in order to earn more from fishing opportunities and aquaculture.**

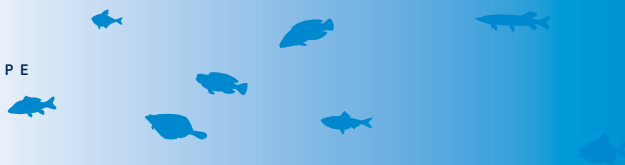
The Commission wishes to see producer organisations (POs) adopt a more marketing-oriented approach. In practical terms, that means producing in response to buyers’ demand or, even better, anticipating or stimulating such demand. This is the best way to ensure the highest and fairest earnings from their production. To encourage this approach, the common market organisation (CMO) makes new tools available to European Union (EU) producers.

The CMO is an important pillar of the CFP. Since the 1970s, it has provided the general framework for the fisheries and aquaculture sector from the first sale, as soon as products enter the marketing chain. It regulates consumer information (labelling), price support

mechanisms, marketing standards, organisation of the profession, conditions for recognition of producer organisations and interbranch organisations, etc.

It might seem that this has very little to do with sustainable management of resources, the over-riding objective of the CFP. But that is a false impression. Marketing is the real economic and social dimension of the fisheries and aquaculture sector. Prices and sale conditions are crucial for the downstream supply chain.

Appropriate regulations can for example offer preferential market access to products that comply with the rules. They can also help consumers identify sustainable products more easily through clear labelling. The right regulations can ensure that fishermen receive fair earnings for their work by helping them compensate for their limited bargaining power opposite buyers who are increasingly in a position of strength as the result of mergers in the sector, in particular among large retailers.



The CMO does all that already. But in the context of the CFP reform, the Commission aims to go further: to make market policy a genuine instrument to help producers assume responsibility for the sustainable management of fish resources, whether caught or farmed, and put a premium on their production. Sustainable fishing implies sustainable exploitation of resources, but also the prosperity of fishing and aquaculture businesses and the well-being of coastal communities (and rural areas for fresh water aquaculture).

### Producer organisations: building capacity

In concrete terms, achieving the aims of the CMO reform (see box) requires different measures to develop the role of POs, improve consumer information (1) and build producers' capacity to act on the market and influence pricing. This Fact File will focus on the latter point.

Underpinning this will to build capacity is a stark finding by the Commission on past shortcomings: *'We have been unable to anticipate or manage market fluctuations. Fishing, more than other food production sectors, is characterised by uncertainty with regard to production conditions and access to the resources. Nevertheless EU supply lacks predictability in terms of volume and quality requested by the demand side. Conversely, EU producers to a large extent do not anticipate market demand in their production planning. This leads to a high volatility of first sale prices.'*(2)

#### Labelling: choosing fish

A reform of the policy for fish, crustacean and shellfish markets cannot overlook consumer information. The Commission, based on the characteristics of the European market, proposes to strengthen the differentiation of products placed on the market so as to give consumers the opportunity to make choices based on the most unambiguous and complete information possible. The commercial designation, production method (caught or farmed), catch or production area and date of catch or harvest will be adapted to be more precise, more comprehensible and above all to also cover prepared and preserved products. To make sure, on the one hand, that providing this information is not an obstacle or an excessive administrative burden for producers, and on the other that consumers are confident that the information provided is accurate and verifiable, the Commission took account of the new provisions on traceability of fisheries and aquaculture products. It also proposed to bolster monitoring and follow-up means in the framework of the European Maritime and Fisheries Fund (EMFF) and maintained the possibility of assisting European producers with all initiatives and processes that encourage unambiguous, robust and appropriate labelling to complement the compulsory information.

#### Aims of the CMO

The new CMO regulation proposed by the Commission as part of the CFP reform is currently working its way through the legislative process. It has five objectives:

- to incentivise the market to support sustainable production practices;
- to enhance the visibility and attractiveness of European products;
- to help producers strengthen their bargaining power in the marketing chain;
- to improve producers' understanding of the complexity of the market so that they can tap into more of its potential;
- to simplify administrative formalities.

To sum up: fishermen are never certain of what they will catch; they are even less certain that what they land will suit buyers; and they also tend not to take an interest in what interests buyers. As a result, (fishermen's) supply tends to go merrily along without trying to meet (buyers') demand. When supply no longer matches demand, prices fluctuate significantly.

The problem to be solved is the following. Generally speaking, fishermen are passive when it comes to marketing. From the moment they dock and land their catches, they have no influence on how they are marketed. They do not choose the time of sale (since catches have to be sold right away) or the buyers (with a few exceptions) and they have no influence on pricing. In economic terms, this type of market participant is known as a 'price taker'.

This situation is all the more harmful since it can incentivise producers to fish more to make up for rising energy costs. In today's context of overfishing, this behaviour is obviously not the most appropriate.

#### Objective: smarter selling

By proposing to reform the CMO, the Commission intends to open a new era. It would like to see fishermen and fish farmers become commercial players. It invites them to develop their supply in such a way as to match demand more closely, meet market expectations better and obtain the best possible price.

There is also no escaping the fact that fishermen and fish farmers already spend a lot of time on their work as producers. So, naturally, the Commission proposes to stimulate the collective management of these new tasks by giving POs this role. These organisations are already in charge of organising their members' activities, but will have to be more actively involved in marketing their production.

The goal is for POs to develop real marketing strategies, identify market opportunities and focus more on added value than on volume. In other words, they need to make every effort to sell more effectively, so that fishermen and fish farmers earn more from their fishing quotas and from the capacity of their fish farms.

(1) See the Commission's proposals in *Fisheries and aquaculture in Europe*, No 56 June 2012, pp. 10-11.

(2) COM(2011) 416 – Proposal for a Regulation on the common organisation of the markets in fishery and aquaculture products, p. 1.



## Planning production, giving impetus to marketing

Production and marketing plans should become the key tools of the CMO. The principle underlying these plans is set out in the draft regulation working its way through the legislative process. Once this principle is adopted, the content of production and marketing plans will be detailed in a delegated act that is currently being drafted.

### Production plans

A production plan is neither more nor less than a business plan, like those drawn up by thousands of companies. Using this tool, the PO will plan, ideally on a multiannual basis, its members' fishing seasons or production cycles in terms of a number of economic and regulatory factors.

The main idea is to programme fishing or harvesting tactically, taking into account the fluctuating demand for different species. The goal is to come to market with a product when demand for this product is high, thus obtaining the best price. Conversely, fishing for a species should be avoided when there are no buyers. The European Observatory will help identify the 'good' and 'bad' periods and will be a valuable tool for this work.

This planning will also have to take on board regulatory requirements. That entails dividing up quotas among fishery undertakings, staggering production in terms of quota use, taking account of no-fishing areas and periods defined by multiannual plans, specifying fishing gears, etc.

### Marketing plans

Marketing plans concern the downstream organisation of the sector. They are not about tactics (matching supply to fluctuating demand), but about encouraging POs to set up and develop a proactive marketing strategy.

Initially, POs will improve their knowledge of markets and the way markets evolve, again with the valuable assistance of the Observatory. In a second phase, the idea will be to plan marketing actions to increase the value of products by anticipating the expectations of wholesalers, major distributors and processors, and by identifying new sales outlets and new customers: fishmongers, restaurants and consumers. These actions can range from a quality process to labelling of a product, communication on a fishery or the promotion of a fishing practice.

The aim is to act on demand. The potential exists. We must bear in mind that the EU imports two thirds of its consumption of fisheries and aquaculture products. So there is substantial room to increase the market share of European fishermen and fish farmers. But it is essential for each one to find the right solution(s) and POs will play a key role.

### Public aid

To help producer organisations assume these new responsibilities, the Commission proposes to provide financial support. The POs that take on these planning tasks will receive aid from the European Maritime and Fisheries Fund (EMFF). This financial support can be up to 3% of the turnover of all their members. The idea is to enable them to obtain expert help in drawing up and applying production and marketing plans. The Member State will be responsible for reviewing the feasibility of these plans and monitoring their application.

It was therefore only fitting for the Commission to propose to shift from an intervention policy to a capacity-building policy. This means abolishing aid for the destruction of fish and phasing out the storage aid scheme over a five-year period.

Storage aid works as follows: when prices drop below a minimum level (set yearly by the Member State and no longer by the Council), products are temporarily taken off the market and stored until prices rise again. EU financial intervention covers part of the storage costs such as freezing, filleting or any other means of stabilising products for their sale for human consumption.

On the other hand, the Commission is convinced that the new tasks assigned to POs deserve financial and logistics support. It therefore proposes to give them two new, very important tools: on the one hand, production and marketing plans (see box) and on the other, the European Market Observatory for fisheries and aquaculture products, which gives them access to important information on prices and pricing mechanisms (see box).

# EUMOFA

EU Market Observatory for Fisheries and Aquaculture Products

## Observing, understanding and acting

The European Market Observatory for fisheries and aquaculture products was inaugurated in April 2013 by Maria Damanaki, European Commissioner for Maritime Affairs and Fisheries, at the Seafood exhibition in Brussels.

In practical terms, this Observatory is primarily a website coordinated by the European Commission and managed by a team of specialists. The site provides access to information on the putting up for sale and marketing of fisheries and aquaculture products. With this tool, users can analyse and understand how prices are set at different stages of the supply chain, from auction to the retailer's shop, in a large part of Europe. For now, this information covers 86 species representing 90% of EU catches, as well as aquaculture products and imports.

Underpinning this website is a huge database. It contains first sale prices (within 48 hours in some cases) from the principal auctions, wholesale prices, retail prices, import volumes and prices, etc. Up until now, these data were scattered, contained in incompatible formats, in different languages and not always accessible. Now they are harmonised and can be accessed by all types of users through a single point of access, at no cost and in four languages (English, French, German and Spanish).

The Commission's objective is to improve market transparency. This means giving fishermen and fish farmers – and more specifically POs – the information they need to develop marketing strategies. This tool will help them identify market opportunities in order to sell their products at the best price.

For example, based on a sales history, POs will know the periods of the year when hake gets the best price and which auctions bring in the highest prices. By researching on buyers, volumes and so on even further, they can also gain a better understanding of why these prices vary and develop strategies to cash in on them.

### Three types of services

Based on these data, the Observatory offers three types of services.

- **Static information** – The Observatory will provide information on European markets in monthly and annual publications, both of which can be downloaded from the site. The monthly publication will present a general macroeconomic background covering everything that might be of interest to the fisheries and aquaculture products market (price of fuel oil, exchange rates, market supply, imports, etc.) and will then present structured data extracted from the Observatory's database (distribution chain studies, country studies, consumption statistics, etc.).

#### FIND THE LATEST DATA THAT YOU NEED:

- Weekly prices
- Monthly market trends
- Yearly structural data
- Price structure along the supply chain



CHECK WEEKLY PRICES for representative fresh products and selected markets.

#### DISCOVER YEARLY STRUCTURAL DATA



USE the most recent data provided and validated by national authorities and European institutions.

offering exhaustive information on price, value, and volume.

- **Predefined queries** – The website proposes a number of standard searches of the database. Users can select a country and a species, for instance, and obtain an overview of prices in a range of ports for the past week and a comparison with those for the preceding week and the same week of the previous year, with percentage changes shown. Similarly, they can access data on wholesale markets, intra-EU trade, volumes of imports, etc.
- **Ad-hoc queries** – Users can select and use the data that interest them via a more complex interface that provides access to all possible search combinations.

Although professional organisations are the Observatory's main users, the information it provides can also interest researchers, fisheries economists, journalists and all public administrations. Public administrations will be able to investigate rapidly a collapse in prices, for example, by checking whether it is a recurrent phenomenon or a structural problem, or analyse and accurately measure the impact of a variation in fishing opportunities.

The Observatory does more than just make data available. It also aims to initiate market studies and case studies. Improving market transparency also involves disseminating information and drawing attention to certain phenomena.

The European Market Observatory for fisheries and aquaculture products:  
<http://www.ec.europa.eu/fisheries/market-observatory>

# Commission reviews effectiveness of fisheries support



## Has EU aid to the fisheries sector achieved its objectives? The European Commission answers this fundamental question in its fifth annual report on the implementation of the European Fisheries Fund (EFF).

The European Fisheries Fund (EFF) is the financial instrument of the common fisheries policy (CFP). It entered into force in 2007 and its programming period draws to a close at the end of this year. The EFF will be replaced by the European Maritime and Fisheries Fund (EMFF), the governing rules for which are currently being negotiated by the European Parliament and Member States.

The EFF's objective (like that of the EMFF) is to support projects that help steer the fisheries sector in the direction outlined in the CFP – namely towards sustainable fishing that:

- manages healthy and productive stocks with minimal environmental impact;
- contributes to the economic viability of undertakings; and
- assures the well-being of fishing communities.

It is therefore essential to ensure that the support provided within this framework since 2007 has indeed contributed to these objectives. This is the task carried out by the Commission in its report, which reviews the most important types of expenditure under the EFF's four priority axes.

The report findings focus on some of the most important measures implemented under the four main axes of the EFF, including adjustment of the fleet (Axis 1); aquaculture, processing and marketing, inland fishing (Axis 2); measures of common interest (Axis 3); and sustainable development of fisheries areas (Axis 4).

## Scrapping, aquaculture, processing and energy

Subsidies for scrapping represented 56% of EFF payments under Axis 1 (EUR 202 million according to the latest information available). The objective of scrapping is to reduce the number of fishing vessels so as to adapt fishing capacity to the available resources. Therefore it should focus on fleets exerting high pressure on stocks which are in bad shape. However, the evidence available indicates that scrapping often benefits vessels that are in economic difficulties rather than those which have the most impact on fish stocks. This is also evidenced by the fact that over half of all vessels taken out of the EU fleet register did not receive any public funding. The Commission has launched a study intended to analyse the effectiveness, efficiency and proportionality of scrapping in the Financial Instrument for Fisheries Guidance (FIFG) and EFF. Results are expected by autumn 2013.

Aquaculture and the processing industry account for the majority of EFF funds earmarked under Axis 2 (around EUR 300 million respectively). The analysis concludes that despite investments targeted at improving production capacity, overall production by the top producing countries has not necessarily increased. As far as jobs are concerned, the processing industry, which employs over 140 000 people, has recorded positive growth of 3%, whilst there has been limited growth in the aquaculture sector.

The analysis also examined the effectiveness of different methods used to promote energy efficiency in the fishing sector. In addition to fuel subsidies, EFF projects have included supporting changes to fishing gear and designing vessels and equipment which reduce fuel consumption. Whilst subsidies have helped in tackling high fuel prices; fishermen have also found other ways to consume less fuel, notably through speed reduction and rationalisation of their movements. The success of such methods is evident: marine fuel prices rose by 37.5% in 2010 compared to 2009, whilst the energy bill of the EU fishing fleet rose only by 11% in the same period.

Early results show that projects promoting the sustainable development of fisheries areas (Axis 4) are starting to bear fruit after quite a slow start. In 2011, an additional 1 000 projects, focusing on diversifying local economies and adding value to fisheries products, were selected in fisheries areas. This number grew further in 2012 thanks to the increase in the number of fisheries local action groups (FLAGs) supporting local beneficiaries in developing and implementing these projects.

These findings underpin many of the proposals put forward by the Commission in its legislative proposal for the EMFF. In the context of the economic crisis and the sustainability objectives of the CFP, the aim of the EMFF is to learn lessons from the past and direct public subsidies to where they will be most efficient and effective.



# An historic stock in more ways than one

**The North Sea herring stock has been commercially fished since the Middle Ages. Its sustainability was seriously threatened twice during the last half century. However, the first multi-annual plan in European waters, launched together with Norway in 1997, has brought this stock back to optimal productivity.**

Multi-annual plans have stood the test of time; most of those implemented in European waters since 1997 have produced results. That is why the European Commission, as part of the reform of the Common Fisheries Policy, has proposed bringing them into general use in all fisheries in European waters. In this context, *Fisheries and aquaculture in Europe* takes a look at the oldest of these plans: the North Sea herring plan.

This stock is targeted by large fleets of pelagic trawlers and purse-seiner vessels. It provides the raw material for a prosperous processing industry based primarily in Scotland, the Netherlands, Denmark and Norway. Herring is rarely eaten fresh, and depending on the country, it can be served in different ways, such as smoked, in marinated fillets, or as soured herring. Young herring are also caught as by-catches in industrial fisheries that target sprat.

These intensive fisheries led to the collapse of the herring stock in European waters in the 1970s. Despite a rapidly declining biomass since the 1960s, fishing remained intense until the mid-1970s. Since herring live in very large shoals, a decrease in biomass does not necessarily have the effect of making it harder to locate schools of herring, as it does for species that do not shoal. Fishing therefore continued at the same level. In 1976, the stock came close to collapse: fishermen brought in only 175 000 tonnes (compared with one million 10 years earlier). The fishery was closed in 1977. Activity gradually resumed subsequently, and catches increased to 700 000 tonnes in the mid-1980s.

## First European multi-annual plan

In 1996 the stock was on the verge of collapse once again. Fishing pressure had been maintained at the same level despite shrinking biomass. Quotas were reduced during the year. The European Union and Norway, which share the stock, then decided to draw up the first multi-annual management plan in the history of European fisheries.

The plan came into force in 1997. It was re-assessed and renewed in 2004. It is based on catch limits calculated in terms of a mortality rate per fishery that assures maximum sustainable yield. The total allowable catch (TAC) may not vary by more than 15% from one year to the next, to guarantee a degree of stability of exploitation. In just a few years, the plan succeeded in bringing the stock back above the precautionary level and restoring the principles of sustainable fishing. Certain fisheries exploiting this stock have even been awarded a sustainable fishing label.



*Multi-annual plans have stood the test of time; most of those implemented in European waters since 1997 have produced results, such as the North Sea herring.*

There is another side to the coin, however. The 15% rule prevents an increase in the TAC at the same rate as any increase in the stock. As a result, the stock is fished well below the maximum sustainable yield level today. The European Union and Norway are therefore considering revising the 15% rule. Before taking a decision, they are awaiting the opinion of the scientific community, requested recently through the International Council for the Exploration of the Sea (ICES). Based on that opinion, the two partners will develop the new plan, expected to enter into force in 2014.

Managers still need to keep a close watch on the situation as stock developments are a combined result of fishing activities and other, natural processes. The stock has suffered a long period of poor recruitment, with abnormally low numbers of young herring surviving to enter the stock since 2001. The causes of this continually poor recruitment have not been identified, but may be related to changes in the marine environment. The possibility of events such as this must obviously be taken into account in drawing up the plan, and in the criteria used to set annual quotas, so as to ensure that North Sea herring fisheries remain sustainable.

# Valletta invests in tourism and maritime leisure

**The historic quays of Valletta, the capital of Malta, will play host to this year's European Maritime Day. This year's event will be dedicated to maritime and coastal tourism, a very apt theme for the Maltese capital, whose port is being developed around tourism and maritime leisure.**

When the Knights Hospitaller took possession of Malta in the early 16th century, its ports were the only advantage they saw in this cluster of arid islands lost in the middle of the Mediterranean. In fact, looking at a map of this archipelago, it's almost as if it was designed by nature itself, with its natural harbours, many beautiful coves that cut deep inland, sheltered from the waves, wind and enemies coming from the open sea.

Valletta is a product of this maritime and military heritage. Intent on placing themselves and their fleet out of their Ottoman enemy's reach, the Knights founded a new fortified city on the peninsula that separates Malta's two main ports, Grand Harbour in the south and Marsamxett in the north.

The result of building a new city from the ground up is a labyrinth of buildings, quays, warehouses, forts and walls, most of which date back to the 16th and 17th centuries. An austere and grandiose beauty emanates from this ochre-coloured, homogenous ensemble. Add to that a warm Mediterranean climate and a fascinating artistic heritage and it is easy to understand why Valletta is such an important tourist attraction. It is this asset the Maltese have decided to invest in when developing their capital's port.

Until half a century ago, Grand Harbour was Malta's principal port. It was used more as a military than a commercial port, thanks to its central location in the Mediterranean on the maritime route linking Western Europe to the Middle East. When the United Kingdom took control of the island in 1800, the port became a key strategic staging post en route to India, a route that became entirely sea-based with the completion of the Suez Canal in 1869. At the end of the colonial period, in 1964, Malta won its independence.

## Tourism and maritime leisure

After the Second World War, the face of Malta's port changed. Its military importance diminished and Grand Harbour's configuration was not suited to hosting modern maritime freight. In the 1980s, a new commercial port came into operation in Marsaxlokk, in the southern part of the island. This more accessible and deeper port became Malta's energy hub and a major hub for container traffic in the Mediterranean. In Grand Harbour, commercial activities dwindled

to just a few quays dedicated to bulk cargo (construction materials, grain) and three repair and maintenance shipyards. Other infrastructure fell into disuse.

*'Until around ten years ago, you would never have come to stroll around this part of the port', explains John Portelli, CEO of Valletta Cruise Port, referring to the port's northern shore. 'The warehouses had partially collapsed. The quays had become a motorway and was walled seaside. Nothing about it was pleasant.'*

The port authorities quickly came to the conclusion that the future of Valletta's two ports lay in tourism and maritime leisure. Visitors arriving there today see this immediately. They can still see cranes and cargo ships south of Grand Harbour, but their eyes are immediately drawn to the marinas filled with yachts and sailboats of all sizes, and by the comings and goings of tour boats making the rounds of the site and its surrounding areas. Visitors will also be amazed by the huge cruise ships anchored at the foot of the city walls, from which streams of tourists descend.

This development began in the 1980s when the first marina was built in Marsamxett and later in the early 1990s, when a quay was built to accommodate cruise ships. Within just a few years the marina was overloaded and more and more cruise ships were making Valletta a port of call. The possibility of building new infrastructure therefore had to be considered. It was at this point that a strategic decision was taken.

*'At the end of the 1990s, the government decided that the port authority should evolve from its role of operator to become a regulator', explains Christopher Farrugia, Senior Infrastructure Manager at Transport-Malta, the government agency that manages Malta's transport. 'It was decided that port operations should be privatised, starting with the cruise port, for which a 65-year concession was granted in 2001.'*

The Valletta Cruise Port concession is not limited to port operations. It covers an area of nearly five hectares filled with 17th century warehouses that are being renovated and developed by the operator. The result is what is now known as Valletta Waterfront, an urban development site that has won numerous international awards. Wharfs, shops, bars, restaurants and an impressive range of visitor-focused businesses and services such as banks, a tourism office, pharmacies and telecommunications services are available along a 300-metre promenade. The historic baroque architecture has been preserved in the renovations.



*The European Maritime Day 2013 will be dedicated to maritime and coastal tourism, a very apt theme for the Maltese capital, whose port is being developed around tourism and maritime leisure.*

## Valletta rediscovers its port

*'This renovation kick-started the regeneration of the city and its port area', says John Portelli proudly. 'All this restoration work started from what was done here.'*

The rest of Grand Harbour has indeed followed this move to develop new uses for existing sites, encouraged by initiatives by other port concession holders. A new marina is being built on the creek in Birgu, which will regenerate a neglected neighbourhood that nevertheless possesses first-rate attractions, such as San Angelo Fort and the National Maritime Museum. In 2006, the cargo terminal was redeveloped for a range of uses, in order to supplement the cruise liner port during peak periods. Quays are being redesigned in Lascaris and Isla, also to help increase ship accommodation capacity. In the future, the area currently occupied by the power station, which is nearing the end of its useful life, will also be restored and given new uses. Marsamxett is also participating in this development, specialising in leisure and passenger transport.

Meanwhile, Transport-Malta is investing in infrastructure, with partial support from various European Union funds. The government agency wants to help revamp the city, which will benefit from its status as European Capital of Culture in 2018. Historical infrastructure is being restored, including the lighthouse and the breakwater; links between the port and the city are being improved, with road repairs, the introduction of a hop-on/hop-off bus service and the installation of a lift providing direct access between the port and the city above. The latest development is the entry into service of two ferry lines to enable pedestrians to cross Grand Harbour and Marsamxett.

### Valletta hosts European Maritime Day 2013

The 2013 European Maritime Day Conference will encompass a number of events, workshops and sessions focused this year on coastal development and sustainable maritime tourism in the wider context of Blue Growth. It will be an occasion to reflect on how to make Blue Growth happen through sustainable tourism, connectivity and coastal management. There will be a special focus on the Mediterranean Region and its maritime relations with neighbouring countries. The Conference will take place on 21 and 22 May 2013 at the Mediterranean Conference Centre in Valletta.

For more information, go to:

[http://ec.europa.eu/maritimeaffairs/maritimeday/index\\_en.htm](http://ec.europa.eu/maritimeaffairs/maritimeday/index_en.htm)

These investments have not only given fresh impetus to Malta's port development, but they also have an economic impact. Between 2001 and 2012, the number of cruise tourists visiting Malta rose from 175 000 to 608 786. These tourists eat in restaurants, visit museums, discover tourist attractions and take excursions. According to the most recent statistics, tourist activity has led to the creation of 2 000 direct jobs, primarily in the capital.

The challenge now is to convince these tourists to stay longer than just one day, which is why Valletta Cruise Port will be promoting a stopover in Gozo, the archipelago's second largest island, while Transport-Malta is making it easier to reach the capital's outlying areas and other tourist attractions on the island.

### CITES: shark protection scaled-up

Millions of shark specimens are traded annually, mostly for their fins. The sharks covered by the Convention on International Trade in Endangered Species of Wild Fauna and Flora's (CITES) decisions are highly vulnerable and have experienced alarming declines over recent years in all oceans.

Rules on the trade of seven species of sharks and rays were tightened up at international level on 14 March 2013, with a decision adopted by the conference of parties to the Convention on International Trade in Endangered Species (CITES), in Bangkok (Thailand). The measures concern the 178 States parties to the Convention, including the European Union Member States. This result was a major success for the EU and other proponents of these measures, including the US and various Latin American countries. Similar attempts at a meeting three years ago had failed. The result also underlines the importance of CITES for marine species as a complement to measures adopted by regional fisheries management organisations (RFMOs).

The aim of CITES is to ensure that international trade in animals and plants does not threaten the survival of species. Thousands of endangered animal and plant species are now listed in the annexes of the CITES convention. These are divided into three groups: endangered species which cannot be imported or exported except, for example, for scientific purposes (Appendix I); species at risk for which international trade is limited but may be authorised by the issuing of an export permit (Appendix II); and species endangered locally, whose export is subject to national regulations with which States of import must comply (Appendix III).

At the Bangkok meeting, six shark and ray species were listed in Appendix II due to their declining populations: the oceanic whitetip shark, scalloped hammerhead shark, smooth hammerhead shark, great hammerhead shark, manta rays and porbeagle shark. The European Union tabled the proposal to list porbeagle shark. Sawfish was also transferred from Appendix II to Appendix I.

This restriction comes in the broader context of measures to protect the most vulnerable shark species, in particular to control the trade in shark fins, which is booming in Asia in particular as the standard of living rises. RFMOs, especially tuna organisations, are taking measures to protect certain shark species. For example, in recent years, the International Commission for the Conservation of Atlantic Tunas has banned fishing for bigeye thresher shark (2009), oceanic whitetip shark and hammerhead shark (2010), as well as silky shark (2011).

Following a Commission proposal on the issue, the European Union should soon ban shark finning, the practice of cutting off the shark's fins on board fishing vessels and throwing the animal back into the sea. All vessels fishing in European waters and all European vessels fishing in foreign waters will then be obliged to land sharks with their fins attached to the body.

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