



**COUNCIL OF
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COVER NOTE

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 II 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) 1704.

Encl.: SEC(2007) 1704



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 19.12.2007
SEC(2007) 1704

COMMISSION STAFF WORKING DOCUMENT

Annex II 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
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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 2006 TO ACHIEVE A SUSTAINABLE BALANCE

Commission informed the Committee that its summary annual report for year 2006 has been presented and discussed a number of times in the previous Committee meetings. The final document has been distributed to the meeting which includes some minor changes. In particular there are changes in sections 3 and 4: figures on page 9 have been updated according to the recent Community Fleet Register data and Commission's conclusions were finalised. Commission received additional information from Greece and Slovenia concerning their fleet capacity, therefore the overall EU fleet tables and graphs, as well as individual information concerning Greece and Slovenia, were updated.

Commission also reminded the meeting that work on improving the annual report's content and evaluation methodology of equilibrium between fleet capacity and available fish resources is continuing.

Commission stated that some Member States slightly exceeded their capacity ceilings in the mainland and Outermost regions fleets. However, in the coming days Regulation 1438/2003 laying down implementing rules on the Community Fleet Policy will be amended, thus fleet capacity management rules will be changed. In particular, there will be an extension from 3 to 5 years of the transitional period ('coups partis') for the entry into the fleet of fishing capacity exempted from the entry-exit regime. Therefore capacity ceilings for some Member States will probably be higher and capacity margins will be respected by all Member States.

Commission explained the publication format of the annual report 2006:

- (1) Commission's summary report – in paper format, translated into all Community languages;
- (2) Technical Annex to the summary report – in paper format, English language only;
- (3) Opinions of the STECF and Committee for Fisheries and Aquaculture – in paper format, attached to the summary report, English language only;
- (4) Results by Member State – to be published on the Europa web page, English language only;
- (5) Results of the Outermost regions – to be published on the Europa web page, English language only;
- (6) Member States annual reports – to be published on the Europa web page, in the language in which the report was submitted and if appropriate its English translation.

Commission invited Member States to express their opinions on its summary annual report 2006.

Italy: commented that following the new legislation, its fleet will be well in line with the capacity ceilings. Some increases in capacity in the Italian fleet had been the result of Court decisions.

There were no comments from other Member States. Therefore, Commission requested Member States to submit their written comments (if any) by 7 November 2007.

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

Extract from 26th plenary meeting report (PLEN-07-03)

5-9 November 2007, Ispra

This report does not necessarily reflect the view of the European Commission and in no way anticipates the Commission's future policy in this area

Balance between fishing capacity and fishing opportunities

STECF is requested to review the Commission's summary annual report on Member States efforts during 2006 to achieve a sustainable balance between fishing capacity and fishing opportunities, evaluate the findings and make any appropriate comments and recommendations.

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 2006, 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

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 2006 to achieve a sustainable balance between fishing capacity and fishing opportunities.

STECF notes that the Commission's report is presented in three main parts; one is a summary of the MS reports including the impact of effort reduction schemes on capacity, also a chapter on compliance with entry- exit regime and with levels of reference and in the same part strengths and weaknesses of fleet management measures. The other two parts are dealing with the overall results and finally conclusions are drawn.

STECF also notes that a working group is currently investigating future approaches for the member states to give information about the balance between fleet capacity and exploitation.

STECF also notes that improving the economic performance of fishing fleets and at the same time reducing the total fishing effort should be obtained by reducing capacity, and allowing for an improvement in the utilisation of the remaining capacity.

STECF fully agrees with the conclusions presented by the Commission. STECF would like to stress the sentence saying that the reduction which has occurred appears to be too modest when confronted with the important effort reductions still required for some important fish stocks, the steady technological creep and the poor economic performance of important parts of the fleet.

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.

A current overriding objective arising from the Johannesburg Summit on Sustainable Development is to achieve exploitation rates that are consistent with Maximum Sustainable Yield (Fmsy) 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.

STECF recommends the future management of fleet capacity is considered in relation to improving economic performance of the fleet, and that this management is based on the indicators decided on the basis of the indicators of the balance between fleet capacity and exploitation.

The Council adopted in July 2007 an amendment to the fleet management provisions which allows Member States to replace, as from 1 January 2007, 4% of the capacity scrapped with public aid. The amendment also includes the possibility to recover 1% of the capacity scrapped with aid since 1 January 2003. STECF considers this decision runs counter to the objective of achieving a balance between capacity and fishing opportunities.