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European Commissioner for Maritime Affairs and Fisheries

"Getting it right"

The birth of a new Common Fisheries Policy

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

Presentation of the reform of the Common Fisheries Policy to the European Parliament Committee for Fisheries
Brussels, 13 July

Dear Chairwoman, ladies and gentlemen,



Common Fisheries Policy Reform 2012

We all know the situation we are facing right now. Declining stocks - linked to overfishing and discarding - linked to fleet overcapacity - linked to subsidies. Our centralized system condemns us to micro-management that is costly to the taxpayer.

This the first time that a Commissioner addresses the European Parliament on the CFP Reform as an equal negotiating partner to the Council. Today is therefore nothing less than a historic moment.

FISHERIES

HOW DID WE GET HERE ?

Overfishing

DISCARDS

**COSTLY TO
TAXPAYER**

Overcapacity

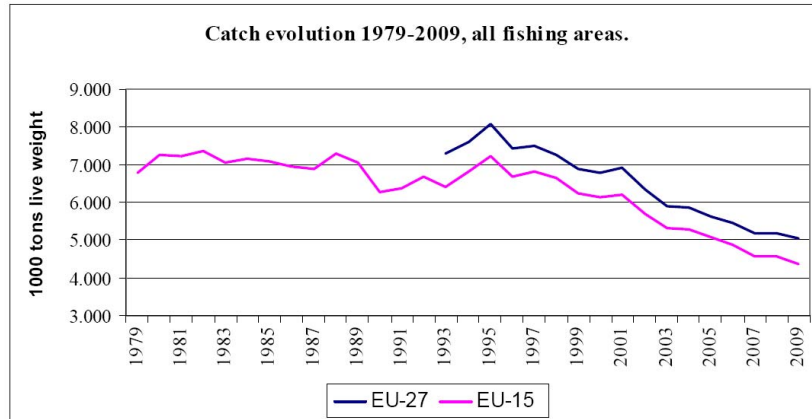
SUBSIDIES

Micromanagement



Slide 2

Continued decrease in catches . . .



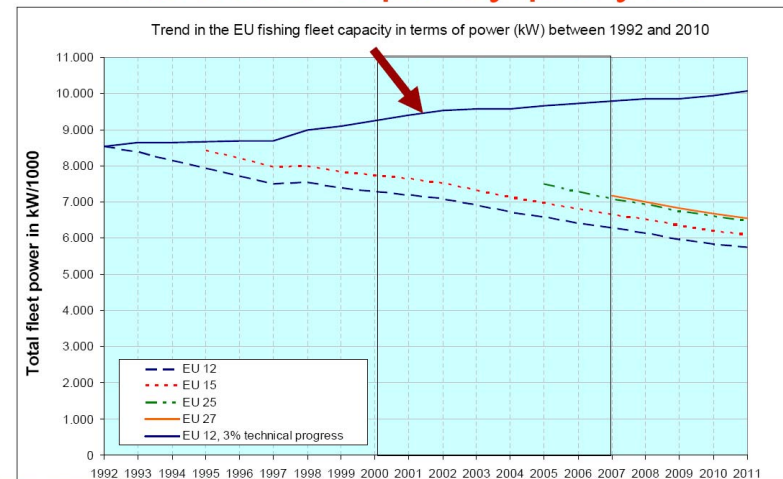
Source: Eurostat



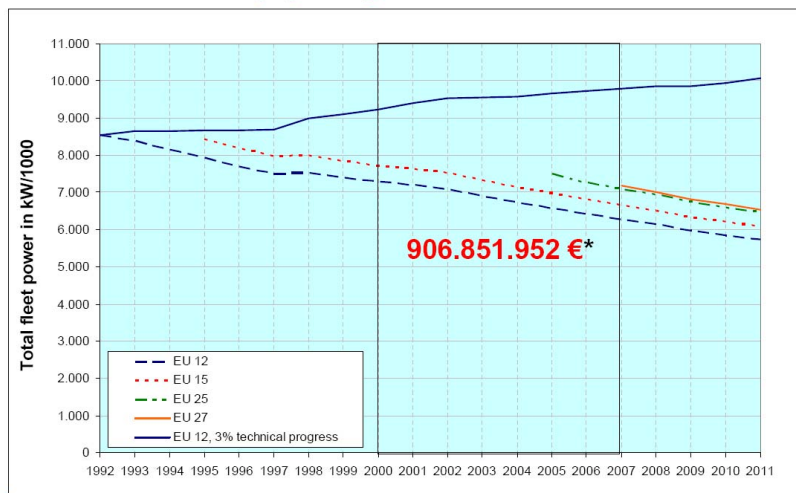
Let me now show you how our fleets developed over the last decades. The top blue line shows that despite the fact that we had less vessels every year, we still had a 3% increase in fleet capacity. Why? Because we modernised vessels and we built new ones and these are technologically much more advanced.

In the EU, 75% of the stocks are overfished. Have a look at this slide, showing that our fishermen only catch a fraction of what they used to catch in the nineties.

Capacity development – 3% more capacity per year



Cost of scrapping:



So what happens if we don't break this vicious circle?

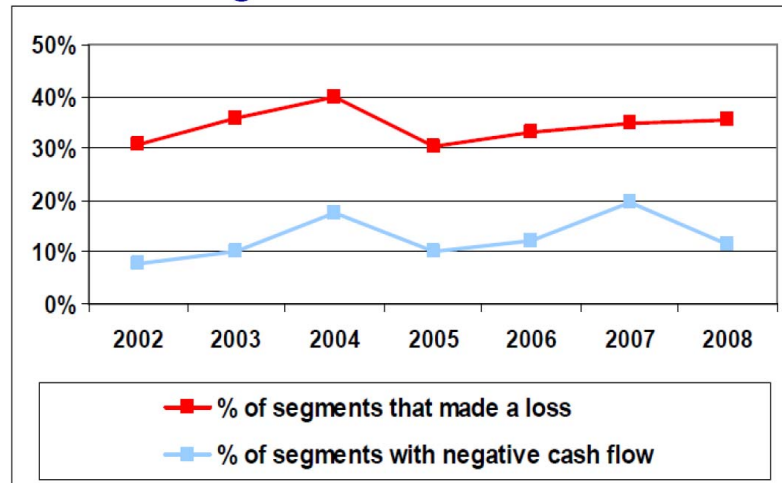
Well let me tell you: according to our impact assessment, if no reform takes place, only 8 stocks out of 136 will be at sustainable levels in 2022. In other words we will lose one fish stock after the other, with a possible chain reaction for the ecosystem that is hard to predict.

And now look at the really devastating news, namely that the capacity increased despite the massive amounts of taxpayers money pumped into scrapping – over 906 million Euro, so almost 1 billion Euro between 2000 and 2006 alone. For virtually no result.

If we don't act now

- Only 8 out of 136 stocks healthy by 2022
- Lose one fish stock after the other
- Possible chain reaction for ecosystem

A loss-making fleet



If we don't act, we will lose more jobs in fishing, processing, transport, port infrastructure and retail. This will impact our coastal regions, whose economies rely on fishing.

And our industry will face even more economic pressure. These figures here show that today 35% of businesses are operating at a loss.

If we don't act now

- Job losses in fishing and processing
- Job losses in transport and port infrastructure
- Job losses in retail
- Negative impact on coastal regions

- Fisheries can contribute to
 - Food security
 - Economic growth
- Fisheries a source of wealth for fishermen and coastal communities

This is why things need to change. Fisheries can contribute to food security and economic growth. They can and must be channelled into our EU 2020 strategy to make fisheries a source of wealth for fishermen and for coastal communities.

3 PILLARS

- Sustainability
- Efficiency
- Coherence

In order to achieve this, my reform has 3 pillars: **Sustainability, Efficiency and Coherence.**

PILLAR 1 SUSTAINABILITY

1. MSY legal obligation
2. World Bank "Sunken Billions" Study and our impact assessment → rebuilt stocks generate 2,7 billion € for EU fishing industry

The first pillar, **Sustainability**, is the heart of this package and it has several elements.

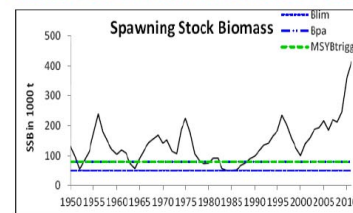
First, Maximum Sustainable Yield should become a legal obligation. This was agreed in Johannesburg in 2002, and it is also part of UNCLOS.

The World Bank's findings in the "sunken billions" - study and the results of our Impact Assessment are crystal clear: if we rebuild fish stocks we could generate an extra 2.7 billion Euro for our fishing industry!

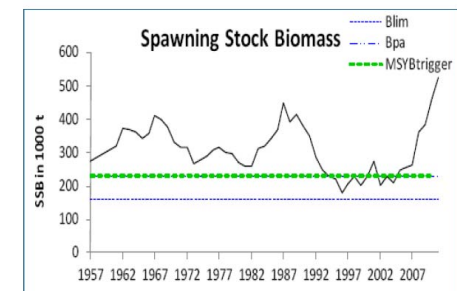
PILLAR 1 SUSTAINABILITY

... MSY is possible:
Some examples:

Haddock in the North-east Arctic



Plaice in the North Sea



You see on this graph two examples that reaching MSY is possible, and what the stock curve can look like.

Stop discarding

All catches
landed and
counted against quotas



Second, we need to stop discards, because throwing away food in a hungry world destroys our image and undermines data collection. Therefore I propose to land all catches and count them against quotas.

PILLAR 2 EFFICIENCY

- Regionalisation
 - Political decisions on direction of policy by EP and Council
 - Technical decisions by MS and fishing industry

But we also need to change the way we take decisions and this takes me to the second pillar of our new house, namely efficiency. Being efficient means leaving the political decisions on the direction of the policy for the political level of Parliament and Council and the technical decisions on mesh sizes, gear restrictions etc. to the Member States and the fishing industry.

PILLAR 2 EFFICIENCY

- Example
 - Multi-annual Management Plan for Atlantic Hake adopted by EP and Council
 - Plan has specific objectives, i.e. MSY level
 - All MS with vessels fishing for hake agree on measures



We do not care what measures they choose, what counts for us is that they achieve the objective, not how they achieve it. The EU has to be the lighthouse, if you will, showing the way. Member States, regions and industry have to steer the ship - and avoid the rocks. I see this as a huge advantage for Member States and regions: because they take ownership; because there is less micro-management from Brussels; because they can devise measures together with the industry. This is important, because we can take full advantage of their know-how.

Therefore I propose that you and Council adopt for example a long-term plan for hake in the Atlantic area. The plan will have specific objectives, like keeping hake above MSY levels. All those Member States that have vessels fishing for hake should then agree what measures they want, for example prescribing specific gear, limiting days at sea or closing the fishery for two months.

PILLAR 2 EFFICIENCY

- What counts is that objectives are achieved
- Advantage for MS and regions
 - Ownership
 - Less micromanagement
 - Devising measures with industry



PILLAR 2 EFFICIENCY

POs real role in managing stocks

- preventing overshoot of quotas
- agreeing on selective gear
- etc.

With this reform, producer organisations will have a real role in managing fish stocks. For example, they can ensure that members don't overshoot quotas; they can adopt more selective gear; and they can sensitise their members on the importance of responsible fishing. A regionalised policy, like I have just described it, is simpler to implement and cheaper for the European taxpayer.

PILLAR 2 EFFICIENCY

Transferable fishing concessions

- decrease fleets
- implement discard ban
- Denmark's demersal fleet shrunk by 30% and its pelagic fleet by 50%



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We also want to achieve more efficiency by introducing transferable fishing concessions. Here we are going to kill two birds with one stone, because they will work to decrease the fleet and they will help implement the discard ban. In a number of countries which already use transferable fishing concessions, the fleet has shrunk much more than with throwing millions of Euros at it: for instance in Denmark the demersal fleet was slimmed down by 30%, and the pelagic one by 50%.

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PILLAR 2 EFFICIENCY

Transferable fishing concessions

Safeguards

- Transfers limited to national level
- Transfers limited to fishermen
- Small scale vessels can be exempted
- Further safeguards by MS

But you have told me about your doubts. I have taken them into account and I propose specific safeguards. First, transfers are limited to the national level. Second, only fishermen can acquire fishing concessions. Third, the Member States can exempt small scale fleets from this system. Furthermore Member States can set additional safeguards to avoid excessive concentration and to ensure an economic link.

PILLAR 2 EFFICIENCY

Transferable fishing concessions

Implementing discard ban

- Exchanging, leasing or selling
- Fishermen to obtain tailor-made combination of quotas
- Further leasing in case of lack of quotas



But Fishing Concessions will not just rationalise the fleets: they will also help stop discarding. How? In the future, Member States should also allow vessel owners to exchange concessions between them, to lease them or to sell them: this will allow fishermen to do two things. First they can obtain a tailor-made combination of quotas according to their actual fishing patterns. Second, when a skipper finds that he does not have quotas for say 30% of his catch, then he can radio to his producer organisation in real time, in order to lease enough quota.



PILLAR 2 EFFICIENCY “the social side”

- Fishing concessions offer financial security
- Profitable fishing sector gives
 - economic security
 - development perspectives to coastal communities



And we get now to the third pillar: **Coherence**. All parts of the policy, from market organisation and aquaculture, from the external dimension to financial support, must underpin sustainability and resource efficiency.

This brings me to the social side of efficiency: because transferable fishing concessions will offer financial security to those who want to leave the sector.

And because a profitable fishing sector will give fishermen and their families economic security. It will give secure development perspectives to coastal communities.

PILLAR 3 COHERENCE

- Market organisation
- Aquaculture
- External dimension and financial support to underpin sustainability and resource efficiency



PILLAR 3 COHERENCE

Coherence means

- As consumers we have the right to know what we buy
- Improving labelling
- Fighting IUU



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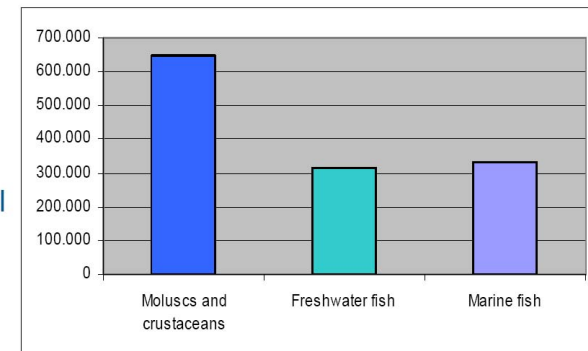
But coherence to me also means acknowledging that our growing demand for fish cannot be met by fisheries alone. Therefore we need to better develop aquaculture in the EU. Aquaculture has the potential to bring smart, inclusive and innovative growth to both coastal and inland areas. And that is why this important activity now has the place it deserves in the Basic Regulation. We will provide strategic guidelines at EU level, with common priorities and targets. Member States should then set up multiannual plans to develop the industry, improve competitiveness and offer operators fair access to waters and space.

Coherence means that as Consumers we have a right to know what we buy. Therefore we are improving labelling to give precise information on product origin and its way of production. Because in parallel we are also fighting illegal fishing and creating a culture of compliance, consumers will know that what they buy was fished sustainably.

PILLAR 3 COHERENCE

Growing demand for fish → develop aquaculture

- Innovative growth
- EU Strategic Guidelines
- National multiannual plans



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PILLAR 3 COHERENCE

Coherence means ambitious in external policy

- Sustainable Fisheries Agreements
 - Only if surplus stock
 - Only with scientific advice
 - Human rights clause

Coherence also means that we need to be just as sustainable in our external policy as we are in our own waters. Therefore I propose "Sustainable Fisheries Agreements" centred on the same principles we apply domestically: the Union should only enter into an agreement with a third country if there is a surplus stock that is not being used by the local industry and if science tells us that it is safe to fish. And the respect for Human Rights, the rule of law and democratic principles, should in the future be part and parcel of each Agreement.

FINANCING

- Adequate level of funding
- Necessary for successful reform
- Promoting innovation and sustainability
- Promoting smart and inclusive growth



Finally, let me say a few words about financing.

Ladies and gentlemen, these are difficult economic times. I fought for an adequate level of funding with my fellow Commissioners and the rationale is simple. To ensure the success of the reform I need a budget similar to the current one. I want to use it to promote innovation, sustainability and smart and inclusive growth in coastal areas. Later in the year I will present the financial regulation for the maritime and fisheries fund.

In closing, Ladies and Gentlemen, let me draw a comparison to the US. In the 90s, US fisheries were in a situation similar to ours. But in 2007 the Congress outlawed overfishing and quotas are today set according to scientific advice. Today the US has substantially less overfished stocks than we do – only 15%.

We have no choice but to succeed as well. As a major fishing power, we simply cannot afford to lag behind on sustainability. We must offer a future for our seas, for our industries and for our coastal communities.

