



Assessment of utilisation of EU - Faroe Islands Bilateral Fisheries Agreement

Arina Motova, Jennifer Russell, Hazel Curtis

- Why and what?
- Results
- How?
- Next steps
- Questions/Discussion



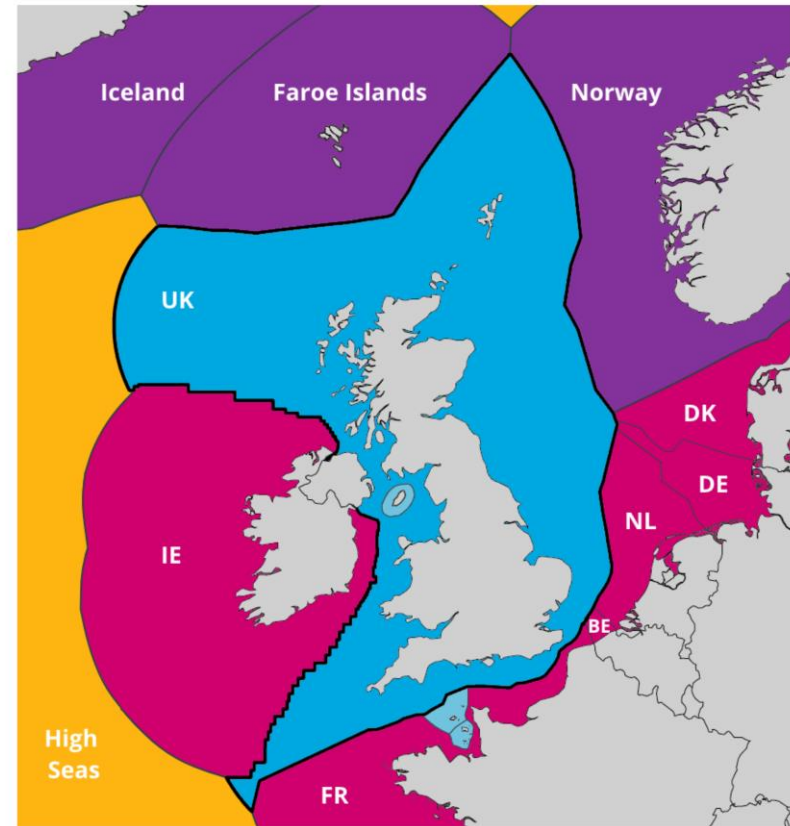
Why we did this?

Request from Pelagic Industry Issues Group (PIIG), 2015

What we analysed?

- EU-Faroe bilateral agreement (02/02/1990) for 10 years, plus 2x6 years with subsequent tacit renovation for 6 years.
- Mackerel arrangement (2014-2018)
- Current agreement is based on annual consultations and includes:
 - Quota exchange
 - Reciprocal access entitlements (mackerel + blue whiting (since 2015) and Atlanto-Scandian herring (since 2016))

Exclusive Economic Zones of the UK and neighbouring coastal states

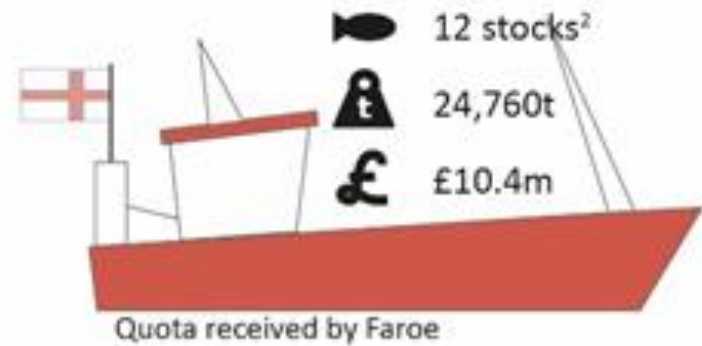
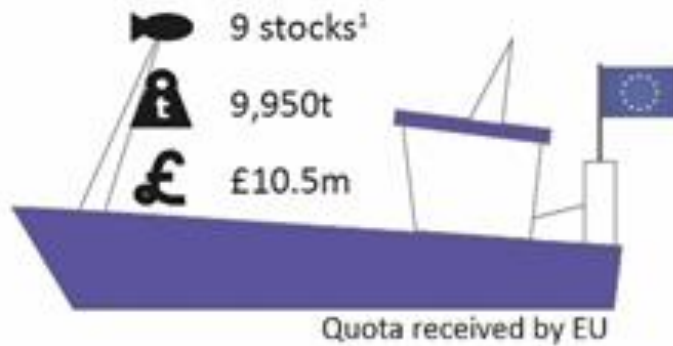


Source: Adapted from House of Lords European Union Committee, Brexit: Fisheries, 17/12/16.

Source: <https://www.instituteforgovernment.org.uk/explainers/common-fisheries-policy>

Quota Exchange

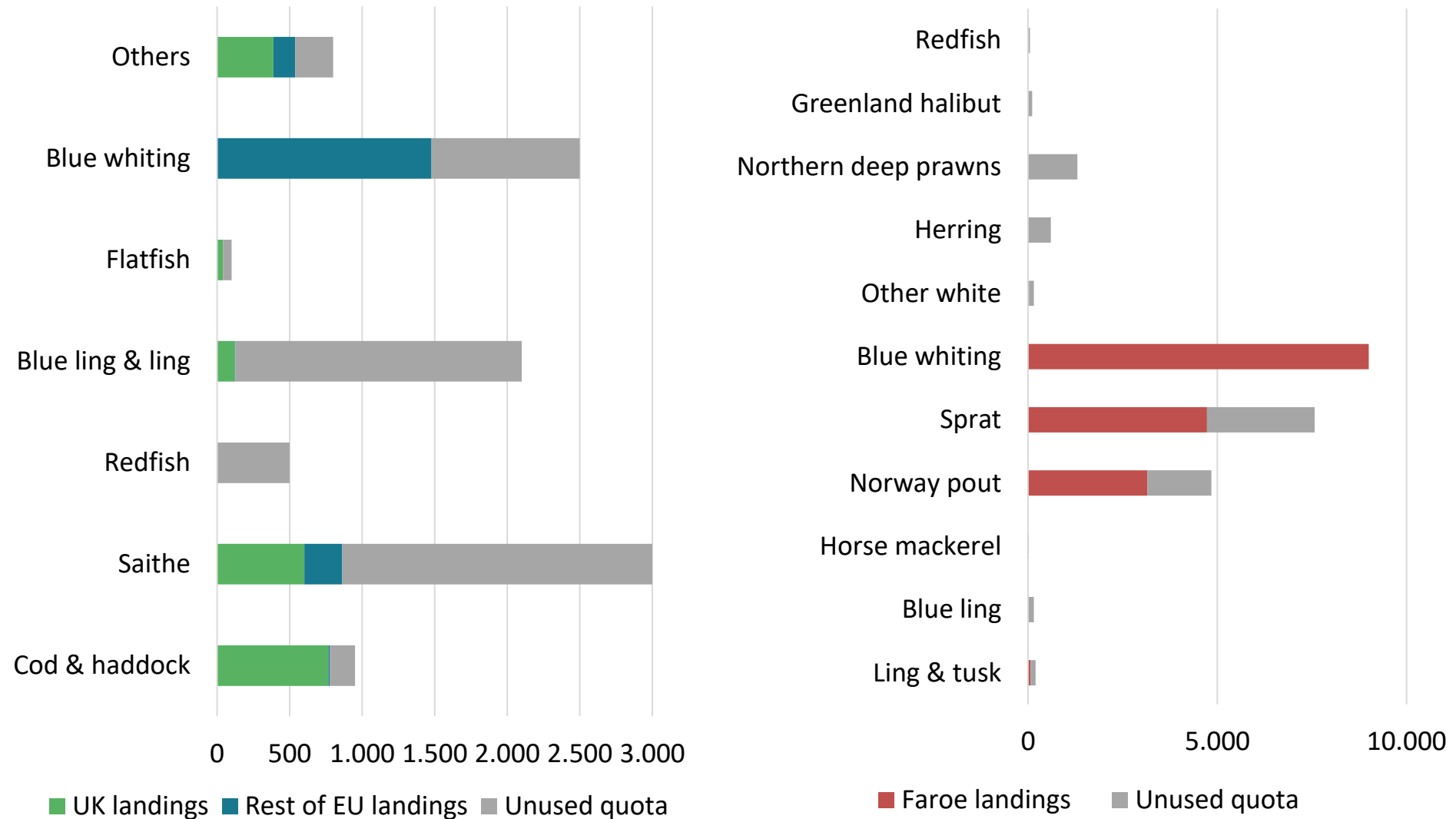
Each party in the agreement provided quota from its own 2016 quota allowance to the other party.



Landings from Quota Exchange in 2016

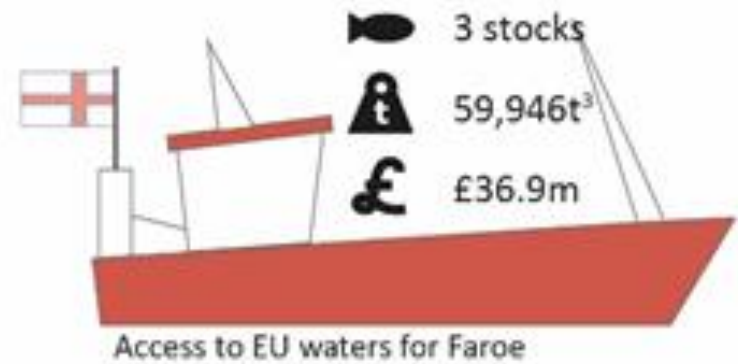


Use of Quota Exchange by Stock



Access Entitlement

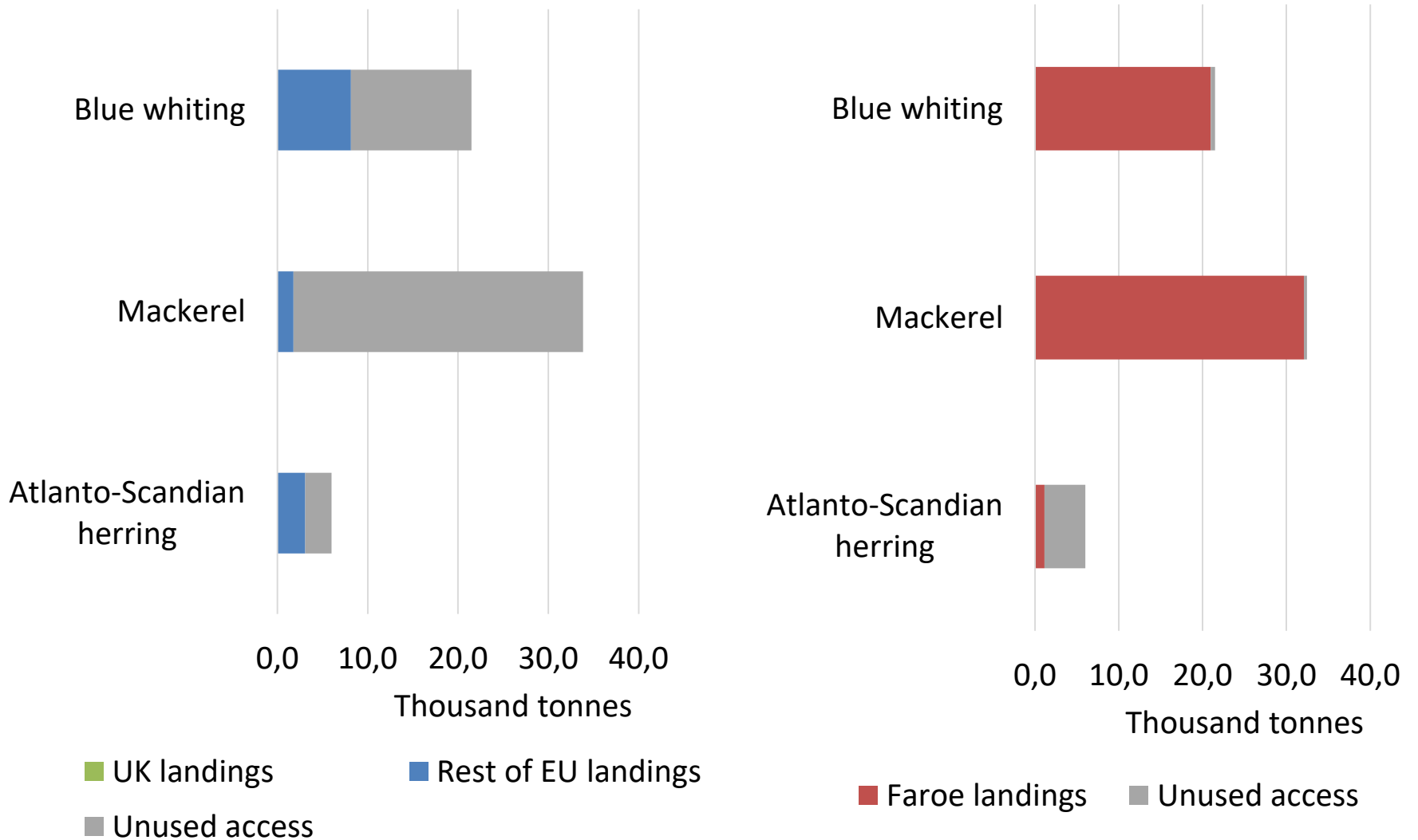
Each party in the agreement could fish for some of their own quota in the other party's waters.



Landings under Access Entitlement in 2016



Use of Access Entitlement by Stock

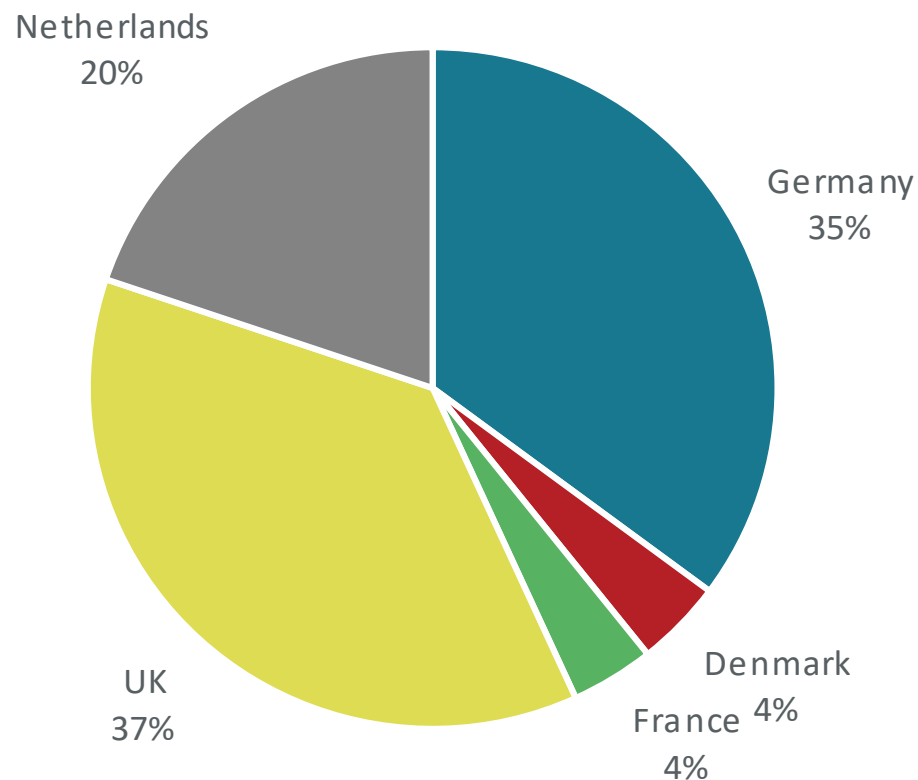


Estimated sales value

Value of landings made under the agreement in 2016:

- UK – £2.8 million (£1.9 million in 2015)
- EU – £9.1 million (incl. UK) (£4.8 million in 2015)
- Faroe – £36.6 million (£30.5 million in 2015)

Sales value of EU MS landings from Faroese waters (exchange and access) as % of total EU landings value in 2016.



Summary of UK industries feedback

Fleet

- Value of access arrangement is much greater to Faroe because of fish quality in EU waters (mackerel) and lower costs associated to fishing (blue whiting)
- No benefit to UK from access arrangement yet costs incurred by the Government

Pelagic processing sector

- Barrier to achieving benefit from agreement because of landings tax on Faroese vessels
- Unfair competition in markets for mackerel and blue whiting from EU waters because of equal quality, lower cost Faroese product (supported by landings tax)

Assumptions and Sources of Information

- European Commission provided information on 2016 landings by both parties in the agreement.
- Information on UK landings is from MMO data.
- Valuation of quota, access and landings is based on UK average fish prices in 2016. This does not represent net benefit to either party.

Next steps

- Evaluation of 2017 agreement utilisation
- Time trend analysis (2014-2017)

Discussion / Questions

- Is there any analysis produced here in Faroe Islands?
- How transparency of international agreements could be improved?



Thank you for your attention!

Arina.Motova@seafish.co.uk

Full report available online:

http://www.seafish.org/media/Publications/FINAL_EU-Faroe_Report_amended_May.pdf

18 Logie Mill
Logie Green Road
Edinburgh EH7 4HS

T: +44 (0)131 558 3331
F: +44 (0)131 558 1442

E: seafish@seafish.co.uk