

THE OPERATION OF THE FISHING VESSEL LICENCE
ECONOMIC LINK CONDITION
IN 2002

Issued by the Fisheries Departments in the UK
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FISHERIES : THE OPERATION OF THE ECONOMIC LINK LICENCE CONDITION IN 2002

A report by the Fisheries Departments in the UK on industry compliance with the economic link condition in 2002

Introduction

1.1 From 1 January 1999 British registered fishing vessels over 10 metres in overall length and landing 2 tonnes or more of quota stocks have had to demonstrate an economic link with fishing communities in this country. This report examines the operation of the related fishing vessel licence condition in 2002, its fourth year of operation.

1.2 The licence condition was introduced to ensure that British coastal communities dependent on fisheries and related industries derived economic benefit from vessels fishing against UK quotas. Its introduction was the subject of extensive consultation with the Commission which confirmed in July 1998 that, in its view, the condition was compatible with Community law. In the same month Guidance Notes on the operation of the new requirements were sent to all fishing vessel licence holders.

Summary

2.1 There was full compliance with the economic link condition in 2002. Some 95% of the UK fleet complied by landing more than 50% of their quota catches into the UK. Other benefits have included:-

- a 40% increase over 1998 in the volume of quota stocks landed into UK ports by foreign-owned UK registered vessels;
- a significant increase in the number of landings into the UK by Anglo-Spanish vessels, resulting in additional local expenditure of at least £3 million; and
- the release in 2002 of over 486 tonnes of quota for redistribution to the inshore fleet.

Allowing for changes in UK quota and the size and activity of the fleet, the benefits are comparable to those obtained in 2001.

Requirements of the economic link licence condition

3.1 A vessel owner may demonstrate that his or her vessel has maintained an economic link with the UK by one of four options:

- Option A: landing at least 50% by weight of the vessel's catch of quota stocks into the UK, or
- Option B: employing a crew of whom at least 50% are normally resident in a UK coastal area, or
- Option C: incurring a significant level of operating expenditure in the UK for goods and services provided in UK coastal areas, or
- Option D: demonstrating an economic link by other means (including combinations of the above) providing sufficient benefit to populations dependent on fisheries and related industries.

Vessel owners may also roll over part of their economic link compliance to the following year.

3.2 Vessel owners have until 31 July each year to provide evidence of compliance in the previous year. Owners failing to provide that evidence are liable to the withdrawal of their authority to fish for quota stocks and/or prosecution for breach of the licence condition.

Compliance with the condition in 2002

4.1 Some 1,362 British registered fishing vessels landed more than 2 tonnes of quota stocks in 2002 and were required to demonstrate an economic link. After reviewing their activities the Fisheries Departments are satisfied that an acceptable link has been maintained by these vessels. This includes 9 vessels for which a shortfall in compliance in 2001 was rolled over to 2002. Some 27 vessels made up their shortfall by making quota available for redistribution to the inshore fleet (see Annex 1). Table 1 below shows how vessels complied.

TABLE 1 - VESSELS COMPLYING WITH THE ECONOMIC LINK IN 2002^(a)

	Option A (landings)	Option B (crewing)	Option C (expenditure)	Option D (other)	Total
British owned	1,254	23	0	2	1279
Anglo-Spanish	38	0	0	6	44
Anglo-Dutch	4	10	0	19	33
Other	1	5	0	0	6
TOTAL	1,297	38	0	27	1,362

(a) Comprehensive information about the beneficial ownership of UK fishing vessels is no longer maintained by the Registry of Shipping and Seamen. Information about the nationality of vessel ownership and the assignment to categories in this Report is based on advice from local port offices of Fisheries Departments in the UK.

The comparative figures for 2001 were:

	Option A (landings)	Option B (crewing)	Option C (expenditure)	Option D (other)	Total
British owned	1310	26	0	2	1338
Anglo-Spanish	56	0	0	1	57
Anglo-Dutch	0	16	0	23	39
Other	0	4	0	0	4
TOTAL	1366	46	0	26	1438

Effect of the economic link condition on vessel operations

5.1 The economic link condition has posed few problems for British-owned vessels, all of which were able to comply with the condition without significantly changing their previous patterns of activity. Most vessels complied by landing at least 50% of their catches of quota stocks into the UK. A small number of distant water and pelagic vessels, which traditionally land their catch abroad, complied with Option B, the crewing option.

5.2 Two of the annexes attached to this report illustrate the impact of these condition in 2002 upon UK registered but foreign-owned vessels:

- Annex 2 sets out the quantity, value and number of landings made by the vessels into the UK and abroad between 1998 (the year before the condition was introduced) and 2002.
- Annex 3 details the total landings by Anglo-Spanish and Anglo-Dutch vessels of quota and non quota stocks into specific UK ports between 1998 and 2002.

5.3 The number of landings of quota stocks by UK-registered but foreign-owned vessels in 2002 has fallen to 386 compared to 416 last year and 225 in 1998. However the volume of landings of quota stocks has fallen less sharply to around 3,750 tonnes compared with 3,900 tonnes in 2001, and well above the figure of 2,700 tonnes landed in 1998. There were marked variations between the different groups of vessels.

Anglo-Spanish vessels

5.4 There were 341 landings of quota stocks in the UK in 2002 compared to 372 landings in 2001 and 114 in 1998. Despite the downturn in fishing activity overall the proportion of landings into the UK as opposed to overseas has increased.

TABLE 2 – LANDINGS OF FISH BY THE ANGLO-SPANISH FLEET, 1998 TO 2002

	1998	1999	2000	2001	2002
<u>No. of Landings</u>					
into UK	141	455	450	389	359
elsewhere	1,295	867	798	716	669
<u>Tonnage of quota stocks</u>					
into UK	1,125	4,017	3,737	3,153	2,930
elsewhere	8,308	3,705	2,732	1,965	2,066
<u>Tonnage of non quota stocks</u>					
into UK	1,002	3,030	4,467	3,970	3,750
elsewhere	21,476	16,303	17,719	20,023	17,403

5.5 The majority of fish landed into the UK by Anglo-Spanish vessels is transported over land to markets in northern Spain. Sales in the UK are mainly confined to by-catches or species commanding higher prices. The increased number of landings since 1998 has generated additional economic activity through, for example, the purchase of fuel, ice and other provisions and services and the payment of port dues. The extra landings are estimated to have resulted in an increase of some £3 million in 2002 in expenditure incurred in the UK. The principal ports are Milford Haven (134 landings, up from 93 in 1998), Lochinver (138 landings, up from 17) and Falmouth (43 landings, up from 15). The figures for these and other ports are set out in more detail in Annex 3.

Anglo-Dutch vessels

5.6 The condition has impacted differently on the activities of Anglo-Dutch vessels.

5.7 The majority of catches continued to be landed abroad. Landings of quota stocks into the UK were 113 tonnes compared to 81 tonnes in 2001 and remain significantly down on the 1,009 tonnes landed in the UK in 1998. This reflects the replacement of the old visiting condition in licences, which required vessels to demonstrate an economic link by making 4 visits to a UK port every 6 months. It did not require vessels to land fish each time they visited but vessels sometimes did so for convenience. The revised compliance visiting condition only requires vessels to make one port visit every six months and thus reduces the incentive for Anglo-Dutch vessels to land their catches here. The effects of this are offset by the value of the quota which Anglo-Dutch interests have made available for re-distribution under the economic link arrangements.

Other vessels

5.8 Of the remaining 6 foreign-owned but UK registered vessels active in 2002, 4 were Anglo-Irish and 2 were Anglo-Icelandic. The Irish owned vessels which also land abroad complied by employing UK-resident crew. The 2 Anglo Icelandic vessels fished in the northern part of the North Sea targeting deep water shrimp, Icelandic redfish and North Norway cod which they land mainly into Iceland or Norway. They also achieved their economic link by employing UK resident crew.

Numbers of foreign-owned vessels on the UK register

6.1 The total number of foreign-owned vessels on the UK register, including those not required to demonstrate an economic link because they landed less than 2 tonnes of quota stocks in any one year, was 116 at the end of 2002 compared with 118 at the end of 2001 and 140 in 1998.

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Department for Environment, Food and Rural Affairs
Scottish Executive Environment and Rural Affairs Department
National Assembly of Wales Agriculture Department
Department of Agriculture and Rural Development

Annex 1

Quota transferred to the indigenous fleet by the Anglo-Dutch and Anglo-Spanish sector in connection with compliance with the economic link licence condition

Stock	1999 tonnes	2000 tonnes	2001 tonnes	2002 tonnes
<u>North Sea</u>				
Anglers	15	12	10	
Cod	100	61	34	31
Lemon sole and witch	15	15	13	
Nephrops		50	72	102
Plaice	50	47	38	
Saithe		5		
Sole	50	65	86	45
Turbot and brill	15	15	12	11
Whiting		10	13	
<u>Area VI</u>				
Anglers	5	5	4	
Cod	15	9	5	
Haddock	20	20	13	
Megrim	3	3	6	
Nephrops		30	71	25
Plaice	2	2	2	
Saithe	10	11	14	
Whiting	10	7	6	
<u>Area VII</u>				
Nephrops		10	1	7
Plaice d&e	15	13	12	38
Sole d			3	5
Sole f&g			1	1
Cod VIIa			15	25
Cod VIIb-k			5	7
Pollack			12	12
Western hake				3
Anglers				9
<u>Pelagics</u>				
Irish Sea herring				40
Firth of Clyde herring				20
Southern North Sea herring				5
Western Mackerel				100
Total	325	390	448	486
Estimated value at first hand prices	c.£783,000	c.£1,021,000	c.£1,123,000	c.£1,214,000

Impact of the economic link
Landings of quota stocks by foreign owned vessels

Landings	1998				1999				2000				2001				2002			
	UK	Abroad	Total	% UK	UK	Abroad	Total	% UK	UK	Abroad	Total	% UK	UK	Abroad	Total	% UK	UK	Abroad	Total	%UK
All foreign owned																				
Number of vessels active in year	140				122				124				121				121			
Number of landings	225	2,460	2,685	8%	477	2,018	2,495	19%	547	2,141	2,688	20%	416	1,910	2,326	18%	386	1,640	2,026	19%
Volume (tonnes)	2,680	58,098	60,778	4%	4,567	53,238	57,805	8%	3,906	53,538	57,444	7%	3,939	55,655	59,594	7%	3,753	52,174	55,927	7%
Value (£000)	4,273	52,241	56,514	8%	9,576	45,106	54,683	18%	8,865	40,010	48,875	18%	8,426	39,756	48,182	17%	8,013	35,902	43,915	18%
of which:																				
Anglo-Dutch																				
Number of vessels	36				34				34				39				38			
Number of landings	88	1,193	1,281	7%	40	1,195	1,235	3%	47	1,262	1,309	4%	43	1,258	1,301	3%	44	1,019	1,063	4%
Volume (tonnes)	1,009	48,234	49,244	2%	212	47,558	47,771	0%	59	48,552	48,611	0%	81	51,576	51,657	0%	113	48,100	48,213	0%
of which whitefish	934	15,013	15,947	6%	212	13,863	14,076	2%	59	17,608	17,667	0%	81	16,268	16,349	0%	113	14,828	14,941	1%
of which pelagic	76	33,221	33,297	0.2%	0	33,695	33,695	0.0%	0	30,944	30,944	0.0%		35,308	35,308	0.0%	0	33,272	33,272	0%
Value (£000)	1,327	30,580	31,906	4%	404	32,484	32,887	1%	111	30,141	30,252	0%	181	31,478	31,478	1%	338	28,105	28,443	1%
of which whitefish	1,241	21,095	22,336	6%	403	23,581	23,985	2%	111	21,920	22,031	1%	181	23,121	23,301	1%	338	20,470	20,808	2%
of which pelagic	86	9,485	9,571	0.9%	0	8,903	8,903	0.0%	0	8,222	8,222	0.0%		8,357	8,357	0.0%	0	7,634	7,634	0%
Anglo-Spanish																				
Number of vessels	97				82				84				77				77			
Number of landings	114	1,192	1,306	9%	435	756	1,191	37%	450	798	1,248	36%	372	579	951	39%	341	524	865	39%
Volume (tonnes)	1,125	8,308	9,433	12%	4,017	3,705	7,723	52%	3,737	2,732	6,469	58%	3,153	1,965	5,118	62%	2,930	2,066	4,996	59%
Value (£000)	2,347	19,720	22,067	11%	8,784	10,241	19,024	46%	8,698	7,018	15,716	55%	7,456	5,046	12,502	60%	6,892	5,343	12,235	56%
Other																				
Number of vessels	7				6				6				5				6			
Number of landings	23	75	98	23%	2	67	69	3%	50	81	131	38%	1	73	74	1%	1	97	98	1%
Volume (tonnes)	546	1556	2102	26%	337	1975	2312	15%	110	2254	2364	5%	704	2114	2818	25%	710	2009	2,719	26%
Value (£000)	600	1941	2540	24%	389	2382	2771	14%	56	2851	2907	2%	789	3232	4021	20%	782	2455	3,237	24%

Annex 3

**Impact of the economic link licence condition
Total landings by foreign owned vessels at UK ports**

	1998	1999	2000	2001	2002
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Anglo-Spanish Sector

All Ports	tonnes	31,911	27,055	28,655	29,111	26,149
(incl. Abroad)	No. of landings	1,436	1,322	1,248	1,105	1,028

UK Ports	tonnes	2,127	7,047	8,204	7,123	6,740
	% of all landings	7%	26%	29%	24%	26%
	No. of landings	141	455	450	389	359

Milford Haven	tonnes	1,145	2,732	2,757	2,018	1,503
	% of all landings	4%	10%	10%	7%	6%
	No. of landings	93	249	228	169	134

Lochinver	tonnes	234	1,393	2,310	2,885	2,518
	% of all landings	1%	5%	8%	10%	10%
	No. of landings	17	80	129	166	138

Fleetwood	tonnes	0	963	528	0	0
	% of all landings	0%	4%	2%	0%	0%
	No. of landings	0	44	24	0	0

Ullapool	tonnes	186	902	1,329	1,262	1,375
	% of all landings	1%	3%	5%	4%	5%
	No. of landings	4	25	31	22	23

Wick	tonnes	104	516	276	339	341
	% of all landings	0%	2%	1%	1%	1%
	No. of landings	1	14	6	8	8

Falmouth	tonnes	191	368	795	462	739
	% of all landings	1%	1%	3%	2%	3%
	No. of landings	15	32	24	19	43

Ayr	tonnes	202	90	106	120	149
	% of all landings	1%	0%	0%	0%	1%
	No. of landings	8	6	7	1	7

Other UK Ports	tonnes	65	83	103	38	55
	% of all landings	0%	0%	0%	0%	0%
	No. of landings	3	5	1	4	6

1998	1999	2000	2001	2002
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Anglo-Dutch Sector

All Ports	tonnes	49,453	48,264	48,797	52,633	48,969
(incl. Abroad)	No. of landings	1,317	1,269	1,569	1,854	1,361

UK Ports	tonnes	1,296	491	377	751	609
	% of all landings	2.6%	1.0%	0.8%	1.4%	1.2%
	No. of landings	164	74	307	594	458

Aberdeen	tonnes	78	104	23	6	39
	% of all landings	0.2%	0.2%	0.0%	0.0%	0.1%
	No. of landings	12	24	6	2	10

Peterhead	tonnes	73	90	0	0	22
	% of all landings	0.1%	0.2%	0.0%	0.0%	0.0%
	No. of landings	7	7	0	0	3

Buckie	tonnes	140	66	97	50	24
	% of all landings	0.3%	0.1%	0.2%	0.1%	0.0%
	No. of landings	37	13	24	15	7

Grimsby	tonnes	45	45	146	449	262
	% of all landings	0.1%	0.1%	0.3%	0.9%	0.5%
	No. of landings	4	3	261	503	316

Lowestoft	tonnes	283	34	34	2	1
	% of all landings	0.6%	0.1%	0.1%	0.0%	0.0%
	No. of landings	21	4	3	16	1

Wick	tonnes	32	4	8	11	0
	% of all landings	0.1%	0.0%	0.0%	0.0%	0.0%
	No. of landings	8	1	1	2	0

Other UK Ports	tonnes	645	148	70	232	262
	% of all landings	1.3%	0.3%	0.1%	0.4%	0.5%
	No. of landings	75	22	12	56	121