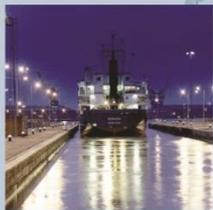


# Brexit

## *Where next for UK fisheries?*

July 2016

Creating sustainable solutions for the marine environment



Now that Brexit has come to pass, what does it mean to leave the Common Fisheries Policy (CFP)? What changes will there be, what will remain the same? What are the opportunities and challenges, and how can we best use the situation to improve our fish stocks, fishing communities and marine environment?

## A new legal and policy framework

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Fisheries is an area where EU law takes precedence and there is no need for Member States to transpose EU directives into national legislation in order for them to apply. Leaving the EU, and the CFP, will leave a vacuum where the UK does not have relevant national policy and implementing legislation. There will need to be an in-depth review of the policy and legal situation to determine what EU legislation will need to be replaced, what UK legislation will be repealed and what new legislation is required.

## The end of quotas

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The short answer is no. Quotas are a way of controlling the level of exploitation of fish stocks to avoid their depletion and enable sustainable management.

It is unlikely that the UK administrations would remove quotas for those stocks that already have them. To do so would be to put at risk the hard-fought gains in stock status for which the UK industry has suffered so much in recent decades. It would also jeopardise the MSC certification that has been achieved for a number of stocks, and is being pursued for others, including North Sea cod.



MSC certification relies on there being an effective management framework in place, including for shared stocks. The breakdown of such arrangements for agreeing mackerel quotas with the Faroe Islands and Iceland in recent years saw the suspension of MSC certification for the stock.

## How might quotas be set?

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Fish do not respect national boundaries, and for them, 'Brexit' or 'Bremain' makes no difference. For stocks that are shared between UK and EU waters (eg cod, haddock, saithe, plaice), ICES will still issue management advice on levels of fishing mortality and quotas.

The current framework is working towards achieving Fmsy and rebuilding stocks to SSBmsy, in line with EU policy commitments under the CFP and MSFD. EU Member States will still be bound by these commitments and shared stocks will need to be managed with this objective in mind.

The UK has commitments to sustainable management of fisheries through international agreements such as the Convention on Biological Diversity (CBD), as well as through the United Nations Convention on the Law of the Sea (UNCLOS) and the UN Fish Stocks Agreement. George Eustice, Fisheries Minister and 'leave' campaigner, also highlighted that quotas, and the MSY target, would be staying<sup>1</sup>. However, the UK would not necessarily be bound to the ambitious CFP time-scale for achieving these targets, which could help alleviate the pressure to reduce fishing mortality so drastically in the short term, although would be subject to negotiations.



For shared stocks, instead of TACs being agreed through the Council of Ministers and the Parliament, the UK and EU will need to agree on TACs through negotiations. These would be bilateral in the case of stocks that are shared only between the EU and UK, or through NEAFC for stocks shared with other countries (as is currently the case with mackerel, which is negotiated between the EU, Norway, Iceland and the Faroe Islands).

## How much quota will the EU and UK each get?

There is likely to be a good deal of negotiation over how to divide up any agreed TACs between the EU and the UK. On the one hand, there may be little appetite from the EU for using anything other than the relative stability key that is the current basis of sharing TACs between EU Member States. The outcome would be minimal change to the status quo — unlikely to be popular for many UK fishermen.

Alternatively, this offers an opportunity for establishing a new basis on which to divide TACs for shared stocks between the EU and the UK, re-evaluating the distribution of stocks and therefore the basis on which they are shared. Norway provides a possible precedent for the form that this could take. The EU has a bilateral agreement with Norway for stocks in the North Sea and Atlantic, which provides for:

- Cooperation on the management and protection of marine resources;
- The setting and sharing of TACs of the main joint stocks (TACs are based on advice from ICES);

<sup>1</sup> <http://www.georgeeustice.org.uk/news/fishing-industry-and-brexite>

- The possibility to fish some of each party's quota in the other party's waters (for example, Norway can fish some of its mackerel quota in EU waters and vice versa), subject to negotiations;
- The exchange of quotas (subject to negotiations), for stocks of interest to each party (e.g. the EU receives additional quota for plaice and whiting from Norway, and Norway receives additional quota for saithe from the EU).



In the EU-Norway agreement, the sharing of TACs for joint stocks is done according to an agreed percentage, based on 'zonal attachment' (the spatial distribution of the stock over time and over its various life stages) for each species.

The exchange of quotas is done on the basis of 'cod equivalents' (the same 'currency' as used in relative stability), which is based on the value of different species in relation to the value of cod. It was established in the 1980s and has not been updated since.

Changes in fish distribution, abundance and migration patterns can be caused by changing environmental conditions and increases or decreases in spawning stock biomass (among other factors) and can cause problems for agreements based on zonal attachment. Changes in market prices (based on abundance or scarcity, market demand and global prices) can also affect the relative value of different species under such agreements.

Any agreement should therefore set out the agreed basis for the sharing of TACs, and for the exchange of fishing opportunities, and should explicitly set out an agreed process and time scale for it to be periodically reviewed and updated. This could help to alleviate current problems faced by the industry, particularly in mixed fisheries, where the quota allocated to the UK for some species (e.g. saithe) does not reflect the abundance of the stocks on the fishing grounds.

## Is this the start of a new dawn for the under-10s?

The lack of quota for the under-10 sector has often been blamed on the EU and the CFP. Although part of the problem may lie therein, ultimately the division of UK quota between different fleet segments within the UK is a national responsibility of the UK administrations. Leaving the CFP will not solve this problem. Quotas will still exist, and they will still need to be allocated to the under-10s, over-10 sector and non-sector vessels.

## But we can wave goodbye to European boats in our waters, right?

Again, probably not. Access to fishing grounds pre-dates the UN Convention on the Law of the Sea, under which countries established their Exclusive Economic Zones (EEZs). Although Iceland successfully unilaterally excluded other vessels from their waters in the cod wars of the 1970s, they did

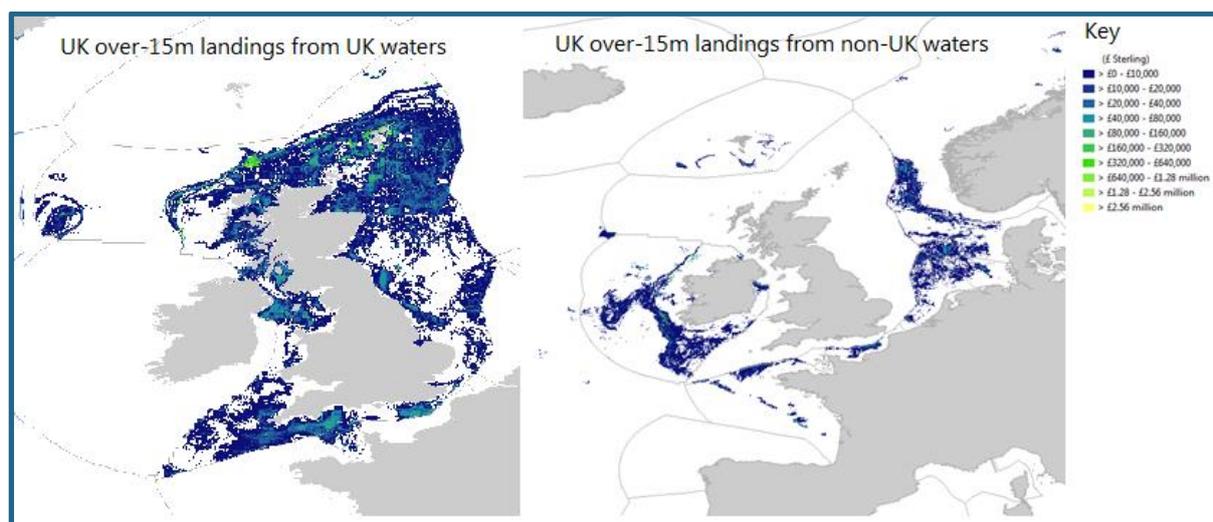
not require access to the UK’s waters in return. UK vessels have historically fished (and continue to do so) in waters of the North Sea and Irish Sea beyond what would be established as ‘UK waters’.

Nearly a fifth of UK landings from over-15m vessels were from EU waters in 2014 (Table 1). This means that for UK vessels to continue fishing in these areas, the UK will need to provide access to other vessels to UK waters, on a reciprocal basis (see the Norway example above under ‘How much quota will the EU and UK get?’).

**Table 1 Value of UK landings from over-15m vessels, by area of catch (2014)**

Area	Value (£ million)	%
UK waters	426.7	79
EU waters (excl. UK)	89.5	17
Other waters	23.8	4
<b>Total</b>	<b>540.0</b>	<b>100</b>

Source: UK Fishing Activity for >=15m Vessels 2014, MMO.



**Figure 1 Map of the value of landings from UK over-15m vessels from (left) UK waters; and (right) non-UK waters**

Source: UK Fishing Activity for >=15m Vessels 2014, MMO; and World Exclusive Economic Zones, version 8 (Feb 2014), Flanders Marine Institute.

There are a number of UK-flagged, but foreign-owned vessels, owned through UK-registered companies, that are part of the UK fleet and which access UK quota. These vessels are likely to continue to be part of the UK fleet, with associated access rights to UK waters, although this may depend on whether the ‘economic link’ criteria are revised<sup>2</sup>.

<sup>2</sup>

[https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKewjW3Yrvjt\\_NAhXoC8AKHQhNC2YQFgghMAA&url=http%3A%2F%2Frandd.defra.gov.uk%2FDocument.aspx%3FDocument%3DMF1207\\_9064\\_FRP.pdf&usg=AFQjCNEUbgylzTqIHJvB5rEW0CLZEeF89Q&bvm=bv.126130881,d.ZGg](https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKewjW3Yrvjt_NAhXoC8AKHQhNC2YQFgghMAA&url=http%3A%2F%2Frandd.defra.gov.uk%2FDocument.aspx%3FDocument%3DMF1207_9064_FRP.pdf&usg=AFQjCNEUbgylzTqIHJvB5rEW0CLZEeF89Q&bvm=bv.126130881,d.ZGg)

## What about market access?

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The EU is an important market for fish and fish products, with over £900 million of exports (70%) of total exports for the sector (including aquaculture products) going to EU countries<sup>3</sup>. Four of the top five destinations for our seafood exports are in the EU (France, Spain, Ireland and Italy)<sup>4</sup>. Whether UK seafood exports would continue to enjoy tariff-free access to the EU market will depend on what sort of trade deal is put in place post-Brexit.

## Funding for fisheries

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The UK receives money back from the EU, which is specifically allocated to the fisheries and aquaculture sectors. The current arrangement is the European Fisheries and Maritime Fund (EMFF), with an allocation of €243 million for the UK for the period 2014–2020. The scheme aims to help fishermen in the transition to sustainable fishing, support coastal communities in diversifying their economies, and finance projects that create new jobs and improve quality of life in coastal areas.

The Leave campaign at one point promised to match any existing allocations of European funding, but it remains to be seen whether such campaign promises will be realised, and whether the UK government would maintain a similar level of funding for the sector beyond 2020.

## Looking beyond the EU — the international dimension

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The European Commission has the exclusive competence to negotiate access agreements to other countries' waters. These 'Sustainable Fisheries Partnership Agreements' are predominantly for access to tuna and tuna-like species in the Indian Ocean and North Atlantic (west Africa), and also in the Pacific Ocean. The main EU countries that fish under these agreements are France and Spain, but there are opportunities for UK vessels as well. With the withdrawal of the UK from the CFP, the UK government would need to negotiate bilateral access agreements with each individual country to maintain access for UK vessels to those countries' waters.

The European Commission also represents the Member States in Regional Fisheries Management Organisation (RFMO) meetings and negotiations. The UK is also represented at these meetings, where we have overseas territories. The UK presence would therefore take on an expanded mandate in such fora.

## Involvement of stakeholders

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One of the main criticisms of the CFP was that the fisheries were managed by Brussels-based bureaucrats, distant from the reality of fishing and of fishermen. The recent reform of the CFP sought to address this by establishing Multi-Annual Plans for the sustainable management or recovery of fish stocks, which could allow some technical measures to be determined on a regional basis with the

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<sup>3</sup> <https://www.gov.uk/government/news/360-million-of-uk-seafood-making-a-splash-on-european-menus>

<sup>4</sup> <http://www.seafish.org/research-economics/market-insight/market-summary>

involvement of stakeholders. With the implementation of this CFP at an early stage, it remains to be seen how this will play out in Europe.

One of the key opportunities that leaving the CFP offers is for the UK administrations to reach out and implement more inclusive, more collaborative and more consensus-based management, involving fishermen in decision making and resource allocation.

The Brexit vote may not provoke the seismic change in fisheries that some in the industry would have wanted. However, there are many new opportunities and challenges ahead. It is essential for everyone to work together to address the issues faced by the industry and to continue building on the successes of recent efforts to restore our fish stocks and strengthen our fishing communities.

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