

Fisheries Sector Report

1. This is a report for the House of Commons Committee on Exiting the European Union following the motion passed at the Opposition Day debate on 1 November, which called on the Government to provide the Committee with impact assessments arising from the sectoral analysis it has conducted with regards to the list of 58 sectors referred to in the answer of 26 June 2017 to Question 239.
2. As the Government has already made clear, it is not the case that 58 sectoral impact assessments exist. The Government's sectoral analysis is a wide mix of qualitative and quantitative analysis contained in a range of documents developed at different times since the referendum. This report brings together information about the sector in a way that is accessible and informative. Some reports aggregate some sectors in order to either avoid repetition of information or because of the strong interlinkages between some of these sectors.
3. This report covers: a description of the sector, the current EU regulatory regime, existing frameworks for how trade is facilitated between countries in this sector, and sector views. It does not contain commercially-, market- or negotiation-sensitive information.

Description of Sector

4. The fisheries sector is made up of marine fishing, aquaculture (fish farming) and processing, and involves complex supply chains.¹ Fish processing is covered under the agri-food sectoral assessment.
5. In coastal communities fishing brings employment and economic activity (fishing along with its ancillary industries e.g. fish processing, boat building and servicing).

Marine Fishing²

6. The EU's Common Fisheries Policy (CFP) is the main driver affecting the level of activity in the fishing sector. It governs fishing effort (the days fishermen can spend at sea fishing for certain stocks), the amount of fish caught for certain species (quotas), and sets technical rules that control for example, types of fishing equipment that can be used.

¹ Throughout this analysis, where possible, data is divided into the three sub sectors. Where data does not allow this the three sub-sectors are included together.

² Unless otherwise stated, all data is from the Marine Management Organisation's (MMO) [Sea Fisheries Annual Statistics](#) (AFS), 2014.

7. In 2014, the UK fishing industry had around 4,600 active vessels.³ Based on the 2012-14 average and rounded to the nearest £10m, these vessels earn £800m in revenue each year from landing fish into the UK and abroad.⁴
8. England has the largest number of vessels (49 per cent) followed by Scotland (32 per cent), though Scotland has the highest share of capacity due to having larger vessels on average.
9. The fleet is very diverse, with considerable variety in the size of vessels, the fish species they catch and their routes to market. The number of businesses does not necessarily equate to the number of vessels; for example, one business may own multiple vessels and some fishing businesses may operate with very few staff.
10. In terms of employment, there were around 12,000 fishermen in the UK in 2014, down six per cent since 2008. Of these, around 5,400 were based in England, 900 in Wales, 4,800 in Scotland and 800 in Northern Ireland. Of employment in England, around a third (32 per cent) of jobs in marine fishing are located in the South West.⁵
11. The fishing fleet lands fish in various ports both around the UK and abroad (see page 3). In 2014, UK vessels landed £246m of fish into foreign ports, of which £126m was landed in other EU Member States' ports.⁶ In addition, the UK benefits from foreign vessels landing fish into the UK from onshore economic activity such as landing fees and providing fish for our processing sector. In 2014, foreign vessels landed £75m of fish into UK ports. Of this, £68m was landed into Scottish ports.⁷ Vessels from other EU Member States accounted for 83 per cent of the value of foreign landings into UK ports in 2014, with the balance mostly from Norway and the Faroe Islands.⁸
12. There are also UK registered and foreign-owned fishing vessels that fish against UK quota. "Economic link" conditions are imposed on UK licences to ensure all registered UK vessels demonstrate a genuine economic link to the UK.
13. The value and growth potential of the marine fishing sector is dependent on the sustainable use of fish stocks. The need for maintenance and sustainability of fish stocks, the importance of the sector to coastal communities, and the complex annual negotiations with the EU and other Coastal States to determine fishing opportunities are some of the reasons why the fishing sector requires significantly more government attention than the size of the sector alone would indicate.

³ [Quay Issues, 2014 Economics of the UK Fishing Fleet](#), Seafish, July 2016

⁴ Based on 2012–14 average, rounded to the nearest £10m.

⁵ [Table 2.6b - South West counted as Brixham, Newlyn and Plymouth ports of administration](#)

⁶ [UK and foreign vessels landings by UK port and UK vessel landings abroad](#), IFISH, 2010–14

⁷ UK and foreign vessels, IFISH

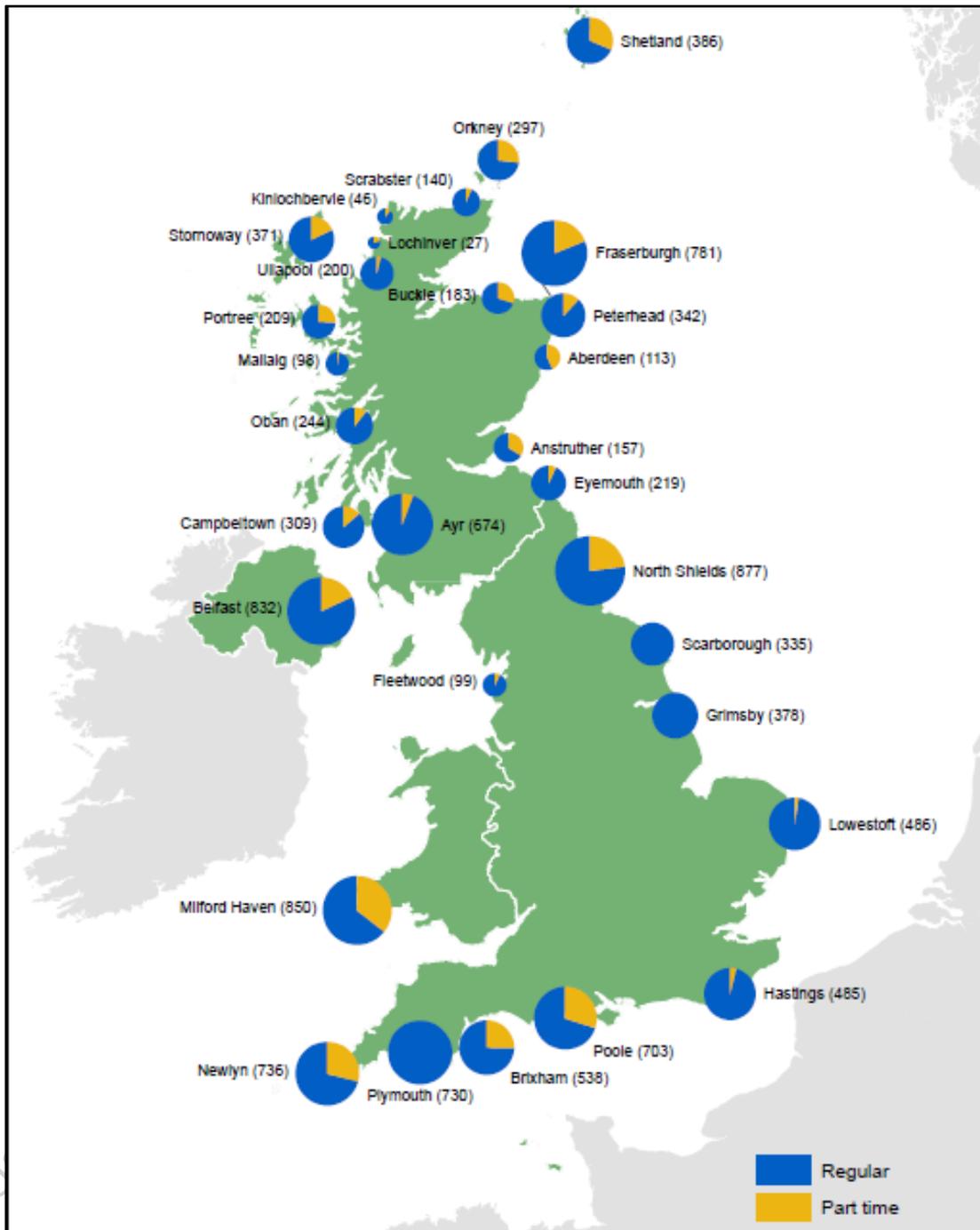
⁸ UK and foreign vessels, IFISH

Aquaculture⁹

14. The UK is a leading aquaculture producer within the EU (1st by value, 3rd by production tonnage in 2012 data). In 2012, there were 645 aquaculture businesses in the UK, with a production value of £590m.
15. Businesses tend to employ small numbers of people; in England and Wales the vast majority of finfish businesses employ fewer than 5 people.
16. Production is dominated by the 50 businesses producing Atlantic salmon in Scotland, which account for 88 per cent of total UK aquaculture value. The remainder of the sector is based throughout the UK, typically with small businesses producing trout, mussels and oysters.

⁹ Aquaculture statistics for the UK with a focus on England and Wales, Cefas, 2015

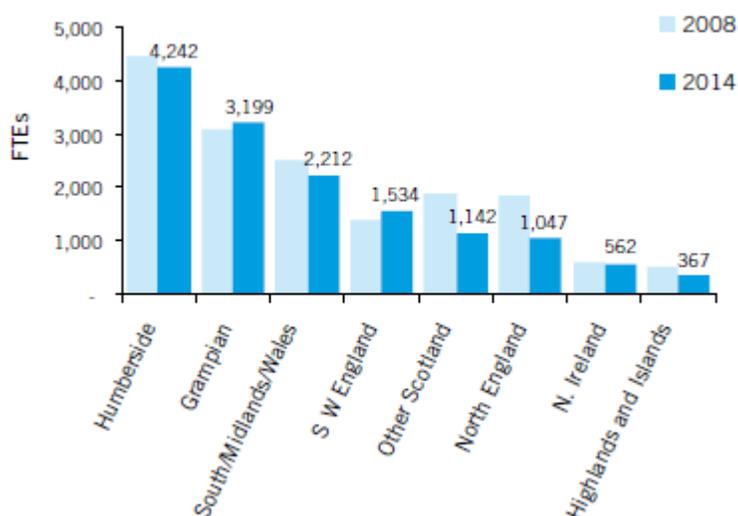
Figure 1: Fisher numbers by administration port (2014)



Processing¹⁰

17. The processing sector contributes more in terms of employment and gross value added (GVA) to the economy than aquaculture and marine fishing combined.¹¹ Annual turnover in 2012 was estimated to be £4.2bn.
18. The vast majority of processing units specialise in processing seafood (83 per cent). In 2014 there were 403 fish processing units in the UK, a decrease of 29 per cent since 2008.
19. There has been considerable consolidation within the fish processing sector, with businesses employing more than 50 people now accounting for 23 per cent of fish processing businesses and 80 per cent of employment.
20. The processing sector is complex, conducting both primary and secondary processing of fish caught within the UK and imported from elsewhere. For example, significant amounts of European cod is exported to China for primary processing (e.g. filleting) before being re-imported to the UK for secondary processing (e.g. breaching).¹²

Figure 2: Sea fish processing: number of FTE jobs per region 2008 vs 2014¹³



21. Together the Humberside and Grampian regions accounted for 38 per cent of sea fish processing units and 52 per cent of FTEs (full-time equivalent) in 2014 (see Figure 2).¹⁴

¹⁰ [UK Seafood Processing Industry Report](#), Seafish, 2014

¹¹ UK Seafood Processing Industry Report, MMO AFS and ONS annual business survey data

¹² [Cod, Haddock and Nephrops, Seafood Industry Value Chain Analysis](#), Seafish, March 2004

¹³ UK Seafood Processing Industry Report

This reflects the larger average size of units in these two key regions. In 2014, 4,242 seafood processing FTE jobs were based in the Humberside, 3,199 were in the Grampian and 2,212 were in the South/Midlands/Wales regions.¹⁵

22. Employment in the marine fishing and fish processing sectors has fallen by six per cent (total employment) and seven per cent (FTE employees) respectively since 2008.¹⁶ Employment in the UK seafood sector has been driven by the availability of fishing opportunities and the seafood market.

Supply chains

23. Fisheries supply chains are complex and there is significant diversity in how fish reaches the market:

- Fish auctions and markets play a significant role, where buyers can range from supermarkets and specialist retailers, to food service businesses and fish processors;
- Vessels may also sell their catch to these buyers on contract. Smaller vessels are more likely to engage in direct sale to food service outlets and the public; and
- There are also a number of internationally integrated supply chains, for example, where fish landed into the UK are directly transported by road to markets in the EU.

Economic activity

24. The economic activity generated by all subsectors of the fishing sector and their supporting industries (such as cargo handling, vessel repairs etc.) supports local coastal communities.
25. The ONS' Annual Business Survey for 2014 estimated the fishing and aquaculture sector GVA to be £585m¹⁷ and the processing and preserving of fish, crustaceans and molluscs to be £662m¹⁸ with a total contribution to the economy of £1,247m. This means the marine fishing, aquaculture and processing sectors together accounted for 0.08 per cent of the UK economy.¹⁹
26. By 2012–16 figures, the fishing, aquaculture and fish processing sectors accounted for 34,600 jobs (see Table 1).

¹⁴ UK Seafood Processing Industry Report

¹⁵ UK Seafood Processing Industry Report

¹⁶ MMO AFS and UK Seafood Processing Industry Report

¹⁷ [UK non-financial business economy \(Annual Business Survey\): Regional results sections A to S](#), ONS, July 2017

¹⁸ [UK Non-Financial Business Economy \(Annual Business Survey\): Sections A-S](#), ONS, September 2017

¹⁹ [Total 2014 UK GVA](#) from £1,624,276m 2014 UK GVA, ONS Of this, fishing and aquaculture (GVA of £585m) accounts for 0.036 per cent of the economy, and fish processing (GVA of £662m) for 0.041 per cent of the economy.

Table 1: Employment in fishing, aquaculture and processing sectors by nation

Sector	England	Wales	Scotland	NI	Total
Fishing	5,400	900	4,800	800	11,900
Aquaculture ²⁰	1,100	100	1,900	100	3,200
Fish Processing ²¹	10,100	-	8,300	600	19,000
Total	16,600	1,000	15,000	1,500	34,100

27. Nearly three quarters of employees on Scottish fishing vessels are from the UK, with 7.5 per cent from other EU countries and 19 per cent from non-EU countries (largely the Philippines).²²

28. The UK runs a large trade deficit in seafood, comprised of a narrow trade surplus with the EU, and a much larger trade deficit with non-EU countries (see Table 2). Exports are dominated by Scottish salmon (see Table 3) and the UK's seafood imports are dominated by five main consumer species: cod, haddock, tuna, salmon, and shrimps and prawns.²³ In 2014, 86 per cent of the UK's exports of shellfish went to the EU.²⁴

Table 2: UK Trade Surplus/Deficit on trade in fish²⁵

	EU	Non-EU	EU proportion
2013-2015 Annual Average Exports	£964m	£486m	67%
2013-2015 Annual Average Imports	£839m	£1,858m	31%
Trade Surplus (Deficit)	£125m	-£1,373m	-

²⁰ Aquaculture Statistics, Cefas, 2012 data

²¹ Processing Survey, Seafish, 2014. Wales not reported separately due to small sample of processors. "South/Midlands/Wales" included as England.

²² [Scottish Sea Fisheries Employment Report](#), Marine Scotland, September 2014

²³ MMO AFS, Table 4.2a - Values

²⁴ MMO AFS, [Table 4.3a - Values](#)

²⁵ The following four tables in this section use an [HMRC Data extract](#) for HS codes 03x, 1604x, 1605x, excluding live fish (0301x)

Exports

29. Table 3 breaks down exports into EU and non-EU markets by species. Salmon (mostly farmed in Scotland) is the UK's most exported species, with significant exports of shellfish and mackerel. 67 per cent of UK seafood exports go to EU countries, worth around £1bn each year (see Table 3).

Table 3: Exports by Species. All data average annual exports across 2013-2015. Rounded to nearest £1m²⁶

Species	Exports to EU Countries	Exports to Non-EU countries	Total exports
Salmon	£246m	£322m	£568m
Mackerel	£58m	£40m	£98m
Cod	£49m	£4m	£53m
Other Finfish	£228m	£60m	£288m
Crabs	£44m	£7m	£51m
Lobsters	£28m	£9m	£37m
Nephrops	£91m	£6m	£98m
Shrimps and Prawns	£72m	£4m	£76m
Scallops	£95m	£0m	£95m
Mussels	£6m	£0m	£6m
Other Shellfish	£50m	£34m	£84m
Other Shellfish inc. mussels	£56m	£34m	£90m
Total	£985m	£486m	£1,471m

²⁶ [HMRC Data extract](#)

Table 4: Top 5 Export Countries by value. All data average annual exports across 2013-2015, rounded to nearest £1m²⁷

Country	Value	Volume (tonnes)
France	£355m	77,654
United States	£217m	41,027
Spain	£130m	31,379
Republic of Ireland	£129m	40,246
Italy	£90m	17,096

Imports

30. The UK relies on imports for much of its supply of fish. The largest proportion of imports comes from Iceland followed by China and the Faroe Islands (see Table 5).

Table 5: Top 5 Import Countries by value. All data average annual exports across 2013-2015. Rounded to nearest £1m²⁸

Country	Value	Volume (tonnes)
Iceland	£290m	64,959
China	£187m	69,351
Faroe Islands	£180m	41,606
Germany	£175m	52,191
Denmark	£161m	48,503

31. In 2014, imports into the UK were highest for cod, 116 kilotonnes (kt), tuna (92kt), shrimps and prawns (82kt) and salmon (78kt).²⁹

²⁷ [HMRC Data extract](#)

²⁸ [HMRC Data extract](#)

²⁹ Table 4.2a - Quantity, MMO AFS

32. Some of these species are not produced domestically, such as prawns and tuna, whereas others, such as cod, are not produced in sufficient quantities. For example, in 2014 while imports of cod stood at 116kt (16 per cent of total fish imports), exports were 15kt. Landings of cod by UK vessels into UK ports accounted for 14kt in 2014.³⁰ More than a quarter of all imports of cod came from Iceland (33kt) and the second largest exporters of cod into the UK were China (25kt) and Norway (24kt). Imports from EU Member States accounted for 20 per cent of total cod imports into the UK in 2014.³¹

EU Funding

33. The industry receives EU funding for science, enforcement and direct industry support. The UK was allocated €243m under the new European Maritime and Fisheries Fund (EMFF) for the period 2014-2020.³² Of this, €146m is core funding (direct industry support, including €8m spent on promoting the Integrated Maritime Policy), €45m is for projects supporting the control and enforcement regime, and €52m is for data collection to support fisheries management (e.g. fish stock assessments, fishing activity, social and economic data).³³

34. Scotland and England receive 44 per cent and 38 per cent of EMFF funding respectively, with the balance received by Wales and Northern Ireland.³⁴ Funding for new vessels or engines, or other measures that would increase fishing capacity (and potentially encourage overfishing), are not permitted.

35. In addition, UK research institutes and consultancies are also funded by the European Commission (EC) to carry out specific research projects or ongoing work focused on fishing or aquaculture.

Area-specific analysis

36. There is a concentration of activity in coastal towns, particularly in Scotland, the South West of England and Humberside (processing) that attract employment in other parts of the supply chain, and support services and tourism.

37. The marine fishing and aquaculture sectors (along with imports) provide inputs for the processing sector and throughout the value chain to retailers and food service outlets (including fish and chip shops). The sector also benefits the tourism industry, as fishing villages attract tourists to certain areas of the UK.

³⁰ [UK Sea Fisheries Statistics 2014](#), MMO, 2015. Exports may exceed imports by weight due to processing, also because fish may be imported, processed and then exported.

³¹ [Table 4.2a - Quantity](#), MMO AFS

³² [\(EMFF\): UK Managing Authority \(UKMA\)](#), MMO, December 2016

³³ EMFF, MMO

³⁴ EMFF, MMO

Devolved Administrations

38. In 2014, Scottish vessels landed £514m of fish into domestic and foreign ports, accounting for around 60 per cent of the value of landings by UK vessels. In 2012, the Scottish fishing sector accounted for 92 per cent of aquaculture production.³⁵ Landings and aquaculture are also above the UK average in Northern Ireland and Wales.

Crown Dependencies

39. The EU is the main fisheries export market for Jersey, the Bailiwick of Guernsey and the Isle of Man. In addition, Jersey and Guernsey directly land fish into France. Fishing is a major feature of small communities such as on Alderney and Sark.

Overseas Territories

40. Of the Overseas Territories, the Falkland Islands makes the majority of its fish exports to the EU.³⁶

Trade dynamics between Northern Ireland and the Republic of Ireland

41. Northern Ireland exports around £20m of fish products to the Republic of Ireland each year, with imports from the Republic of Ireland worth around £10m each year.³⁷ This represents about one per cent of total Northern Ireland-Republic of Ireland trade.³⁸

The current EU regulatory regime

The Common Fisheries Policy

42. UK fisheries are managed under the EU's Common Fisheries Policy (CFP). This provides for:

- Shared access for EU vessels to all Member States' waters, meaning other Member State vessels have access to UK waters and UK vessels have access to other Member State waters;
- Total Allowable Catch (TAC) and quota for key fish stocks for each Member State to be agreed annually in December between EU Member States, as well as limits on days at sea (effort) for non-quota stocks; and
- Directly applicable fisheries management legislation, including on detailed technical measures and control and enforcement.

³⁵ [Aquaculture Statistics](#), Cefas, 2012 data

³⁶ [European Union, Trade in Goods with the Falkland Islands](#), EC, 2017

³⁷ [Regional Trade Statistics](#), SITC code 03, annual average across 2013-2015, HMRC

³⁸ [Regional Trade Statistics](#), HMRC

43. The European Commission represents the EU including the UK in negotiations with third countries on fisheries and international fisheries agreements.

Access arrangements

44. Under the CFP, EU Member States have agreed to share access to one another's' Exclusive Economic Zones (EEZs) and territorial (inshore) waters in the following way:
- 0–6 nautical miles: national vessels only unless permitted under *voisinage* (neighbourhood) agreements between adjacent Member States. The UK has two such *voisinage* agreements:
 - Granville Bay which allows French and Jersey vessels mutual access to each other's territorial waters; and
 - UK-Republic of Ireland which allows the Republic of Ireland and UK vessels mutual access to each other's 0–6 mile limit.
 - 6–12 nautical miles: national vessels and vessels from Belgium, France, Germany, the Netherlands and the Republic of Ireland, have access to specified areas of the UK 6–12 mile zone, for specified species. UK vessels have some reciprocal access to the 6–12 mile zones of France, Germany, the Netherlands and the Republic of Ireland. There is no third country access to the UK 6–12 mile zones; and
 - 12–200 nautical miles: EU waters, shared access between all Member States. Norway and the Faroe Islands are the only third countries to have access to the UK 12–200 mile zone for certain species. There is reciprocal access for UK vessels into Norwegian and Faroese waters.

Vessel Licensing

45. Under the CFP, all fishing vessels undertaking the commercial exploitation of aquatic resources require an appropriate licence.
46. The devolved fisheries administrations, Crown Dependencies and (within England) the Marine Management Organisation (MMO) are responsible for the administration of their own vessels. The nationality of a vessel, and therefore which administration has responsibility for that vessel, is determined by the port of registry. Fishing vessels must adhere to the control and technical conservation conditions specified in the licence. The schedule and annexes of the licence specify where the vessel can fish and what quota limitations there are for different stocks.
47. The UK operates a restricted licensing scheme, whereby no new licences are created, thus capping the overall fishing effort. There are also different categories of licence and permits attached to the licence, to cap effort within certain sectors. The Government does not place any monetary value on a licence; however a market has developed in the trade of fishing vessel licences.

Quota setting and management

48. The objective of the CFP is for fishing to be environmentally, economically and socially sustainable.

Total Allowable Catch

49. Most fish stocks are managed through the setting of TACs and the sharing of quota between Member States. TACs cover 36 species split into 203 stocks, of which the UK has access to around 150.
50. TACs are agreed following scientific advice provided by the International Council for the Exploration of the Sea (ICES). EU Member States and other countries that fish in the North East Atlantic, such as Norway, Iceland, the Faroe Islands and Russia, contribute to this advice by providing stock assessments produced by their national scientific bodies and by passing on catch data.
51. Although ICES makes recommendations for each TAC which reflect different management scenarios consistent with sustainable management of the stock, the TAC level is ultimately negotiated and agreed between the parties fishing the stock.

Fishing effort management

52. Non-quota stocks, such as shellfish, are managed under the EU Western Waters effort regime (Council Regulation 1954/2003) which establishes a framework for a fishing effort regime applicable to vessels 15 metres and over in length in Western Waters (all waters around the UK except the North Sea). The Regulation sets annual days at sea allocations for scallops, edible crab, spider crab and demersal species.
53. The objective of the Regulation is to limit the maximum amount of fishing effort that can be exerted in given areas, and control access of vessels to Member States' sea areas (i.e. vessels can only fish in areas where effort has been allocated).

Fishing effort 'swaps'

54. Additional effort can be obtained through 'swaps' with other Member States, for example in exchange for quota or adherence to closed fishing seasons. Effort swaps are more commonly utilised by the scallop sector rather than the crab sector, largely due to the fact that the majority of the scallop fleet are members of Producer Organisations, who can take forward swaps on behalf of industry and often hold the quota to do so.

Coastal State negotiations

55. International law, including the UN Convention on the law of the sea (UNCLOS) and the UN Fish Stocks Agreement (UNFSA), provide that coastal states control fisheries in their own EEZ, and must cooperate with one another other to manage shared fish stocks.

56. TACs and shares are agreed between the EU and interested countries e.g. bilaterally with Norway and the Faroe Islands, within the coastal states consultations framework, or within Regional Fisheries Management Organisations (RFMOs).
57. RFMOs are international organisations formed by countries with fishing interests in an area (and driven by obligations within UNCLOS and UNFSA). Some of them manage all the fish stocks found in a specific area, while others focus on particular highly-migratory species, notably tuna.

December Fisheries Council

58. The final TACs for each stock for the next year are agreed annually at the December Fisheries Council. This involves negotiations between each Member State and the Commission and the Presidency.

National quotas

59. Once EU TACs have been set, they are divided between Member States in the form of national quotas. The EU distributes quota to Member States in accordance with a method known as 'relative stability' – this grants EU countries a fixed percentage of quota for each fish stock covered by a TAC. The relative stability shares were agreed in 1983, and are based on Member States' historical fishing patterns dating back to the 1970s.

UK allocations

60. Member States then distribute their share of the quota between fishermen. This must be based on transparent and objective criteria. Following agreement at December Council, Defra allocates shares of the UK's quotas to each of the UK's four Fisheries Administrations. Allocations are based on Fixed Quota Allocation (FQA) units. Each unit entitles the FQA holder to a specific percentage share of a given stock. FQAs were allocated to vessel owners in 1999 based on historical fishing track records.
61. In the case of over 10-metre vessels, FQAs are attached to vessel licences. Most large vessels owners come together in cooperatives known as Producer Organisations which manage the quota for their members.
62. In the case of 10-metre and under vessels, the FQAs are managed as a pool by each Fisheries Administration. In England, this pool is managed by the MMO. Vessels are given monthly allocations and, based on the level of catches recorded, the MMO will make decisions on whether the levels of quota allocated each month need to be changed.

Trading of quota in UK and with the EU

63. FQAs can be bought and sold between vessels in the UK. Under the CFP it is also possible for Member States to trade quota directly with each other.

Management regime

64. The CFP has undergone a number of reforms since it was introduced. The most recent reform took place in 2013 and introduced a range of measures designed to conserve fisheries resources. These include a commitment to fish at maximum sustainable yield, a ban on discarding unwanted fish, and increased regionalisation of fisheries governance.

Key regulations in relation to EU fishing

65. The main legislation relating to fisheries includes:

- Council Regulation 1380/2013 on the CFP. Sets out how the CFP operates and includes overarching rules on setting of access and quota arrangements, conservation measures, the implementation of the landing obligation, regional cooperation, management of fleet capacity, data collection, scientific research, cooperation with third countries and regional management organisations, funding, marketing and control and enforcement;
- Council Regulation (EU) 2017/127 fixing for 2017 the fishing opportunities for certain fish stocks and groups of fish stocks, applicable in Union waters and, for Union fishing vessels, in certain non-Union waters. This is the current annual regulation which sets out how much quota each Member State has for fish stocks in EU waters, third countries and waters managed by Regional Fisheries Management Organisations;
- Council Regulation (EU) 1379/2013 on the common organisation of the markets in fishery and aquaculture products, the European Union's instrument for the management of the market for fishery and aquaculture products;
- Council Regulation (EC) 850/98 on the conservation of fishery resources through technical measures for the protection of juveniles of marine organisms, sets out the technical conservation requirements under which fishers must operate within EU waters;
- Council Regulation (EU) 508/2014 on the EMFF, sets out financial measures to help achieve more sustainable fishing, helping communities to diversify their economies and creating new jobs in coastal communities;
- Council Regulation EC 1224/2009 establishes a Community control system for ensuring compliance with the rules of the CFP which provides a system for enforcing CFP rules and includes rules on the import of fish from third countries;
- Council Directive 2006/88/EC on animal health requirements for aquaculture animals, sets out the main requirements covering aquaculture production, which takes place in the UK and particularly in Scotland; and

- Council Regulation EC 1005/2008 of 29 September 2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing (IUU Regulation), imposes obligations on third countries wishing to land fish into the EU and provides for countries and vessels to be blacklisted if they do not.³⁹

66. Environmental rules relevant to fishing include the following:

- The Habitats Directive (Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora) and the Wild Birds Directive (Directive 309/147/EEC. The Directive provides for Member States to create an EU system of protected sites, including in the marine area, and affords protection to certain marine species, such as cetaceans;
- The Marine Strategy Framework Directive (Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy). The Directive obligates Member States to designate protected areas and requires Member States to impose environmental controls to protect those areas; and
- The Water Framework Directive (WFD) (Directive 2000/60/EC of the European Parliament and of the Council establishing a framework for the Community action in the field of water policy).⁴⁰ Amongst the key objectives of the WFD is the requirement to integrate the management of surface water bodies (rivers, lakes, streams, estuaries and coastal waters) and groundwater (water in aquifers) to protect and enhance the environment.

Existing frameworks

International Fisheries

67. Following exit from the EU, the UK will continue to be subject to international law on fisheries management; this includes UNCLOS and UNFSA.

68. Under UNCLOS, Coastal states have jurisdiction over their EEZs (up to 200 miles offshore or the median line between Coastal States). The Coastal state has the right to exploit, develop, manage and conserve all the natural resources (including fish) found in the waters of the EEZ, and on the ocean floor and in the subsoil of its continental shelf. Contracting states must, however, coordinate/cooperate with other states where the same stock or stocks straddle two or more EEZs, the EEZ and the high seas, or where the stock is a highly migratory species, which is the case for virtually all stocks fished by the UK.

69. Both the EU and the UK are parties to this global agreement, a multilateral mixed agreement where each party owes separate obligations to the others.⁴¹ After exit, the UK

³⁹ [Council Regulation \(EC\) No 1005/2008](#) (Eur-Lex)

⁴⁰ [Directive 2000/60/EC](#) (Eur-Lex)

⁴¹ [Annex II to Council Decision 98/392/EC](#) (Eur-Lex)

will assume the rights and obligations currently exercised for it by the EU, including those related to fisheries.

70. UNCLOS is supplemented by UNFSA. Both the UK and the EU are Parties to UNFSA. Elaborating on UNCLOS provisions, UNFSA provides a more detailed framework for states to cooperate, either directly or through RFMOs, to ensure the conservation and management of fisheries resources within and beyond their EEZs. It covers straddling and highly migratory fish stocks.
71. In addition to such rules and standards, UN instruments including UN General Assembly resolutions on fisheries, the outcome of the UN Conference on Sustainable Development ('Rio+20' 2012) and Sustainable Development Goals (2015) contain political commitments, notably to fish sustainably, which are currently implemented through the CFP.

Bilateral Fisheries Agreements

72. The EU also has bilateral agreements with non-EU countries covering access and fishing opportunities. In the North Atlantic, the EU has fisheries agreements with Norway⁴² and the Faroe Islands⁴³ on access and fishing opportunities. The agreement with Norway is the larger in terms of both the volume of fishing activity and the management of key stocks.

Fisheries Partnership Agreements

73. The EU also has a number of sustainable fisheries partnership agreements elsewhere, for example in Africa and the Indian Ocean. Under these agreements, the EU provides financial contributions (e.g. for sustainable development projects in the fisheries sector and to improvements governance structures in partner countries) in exchange for access to waters and fishing opportunities. The UK fishing industry benefits from these agreements to only a limited degree. The UK currently only have a direct interest in the agreement with Greenland.⁴⁴

Trade agreements

74. In addition to fisheries access agreements, the EU is a party to trade and other agreements with a trade component both in the WTO context and bilaterally with certain countries and regions. In the last 15 years the EU has become more dependent on imports to meet its consumption of fish products (EU production covers only 44 per cent

⁴² Agreement on Fisheries between the EEC and the Kingdom of Norway, OJ 1980 L226/48

⁴³ Agreement on Fisheries between the EEC, of the one part and, and the Government of Denmark and the Home Government of the Faroe Islands, of the other part, 1977, OJ 1980 L226/12, Agreement concerning Fisheries, 1992, OJ 1993 L346/20

⁴⁴ A list of these 'Sustainable Fisheries Partnership Agreements' can be [found here](#).

of the EU processors needs).⁴⁵ Autonomous Tariff Rate Quotas (ATQs) ensure a steady supply of raw fish from third countries, duty free or subject to reduced duties, to the EU fish processing sector.⁴⁶

Area-specific analysis

75. Sea fisheries is largely devolved. The CFP does not apply to the Crown Dependencies, Gibraltar or any of the Overseas Territories, but the Crown Dependencies fish as part of the UK fleet and have access to EU waters and land fish into EU ports.

Devolved Administrations

76. Each Devolved Administration has control over its own commercial fishing fleets within a UK wide system. The Fisheries Concordat between the four Administrations deals with the management of the UK's fish quotas and fishing vessel licensing.

Crown Dependencies

77. The Crown Dependencies are not members of the EU and the CFP does not apply to them. However, certain aspects of EU law relating, in particular, to trade in goods and the Customs Union, do apply to the Crown Dependencies, as set out in Protocol 3 to the UK's Treaty of Accession. The more detailed rules setting out conditions with respect to trade in agricultural products, including fisheries products, are set out in Regulation 706/73.

78. Crown Dependency vessels are British-flagged and are treated as EU vessels when they land fish in an EU Member State (but only for that purpose). Although EU fisheries conservation measures do not apply directly to the Crown Dependencies under Protocol 3, they agree generally to comply with these under Fisheries Management Agreements (FMAs) with the UK. Under the terms of the FMAs, Crown Dependency catches of fish stocks to which the EU quota rules apply count against UK quota. The Crown Dependencies do not pay into or receive money from the EU, or UK, budgets, including the EMFF.

Overseas Territories

79. The CFP does not apply to the UK's overseas territories (including Gibraltar).

80. Overseas territories have quota free and duty free access to European markets for fish and fish products as well as preferential Rules of Origin and some direct financial assistance (Overseas Association Decision (2013/755)). This is particularly beneficial for the Falkland Islands and Tristan da Cunha.

⁴⁵ [Council Regulation](#) - opening and providing for the management of autonomous Union tariff quotas for certain fishery products for the period 2016 to 2018, EUR-LEX, July 2015

⁴⁶ In the UK, the ATQs of most interest to the fish processing industry are those for cod, cold water shrimps and prawns, Alaskan Pollock and haddock. Cod remains the most important species for UK processors and frozen sales.

Sector views

[This information was provided by the Government to the Committee, but the Committee has decided not to publish this section]

HOUSE OF COMMONS EXITING THE EUROPEAN UNION COMMITTEE