

Mr. Karmenu Vella
Commissioner for Environment, Maritime Affairs and Fisheries
European Commission

Ms. Cecilia Malmström
Commissioner for Trade
European Commission

Brussels, 18 September 2018

Subject: Maintaining the EU ban on subsidies for the construction of new fishing vessels

Dear Commissioners Vella and Malmström,

The European Commission is currently considering allowing subsidies for the construction of new fishing vessels in the outermost regions by adding a provision to the existing State Aid Guidelines for the fishery and aquaculture sector.¹ These State Aid Guidelines are not subject to the co-decision procedure and the decision on the admissibility of these subsidies is thus completely in the hands of the European Commission. **We, the undersigned organisations, would like to highlight our serious concerns regarding the European Commission's advanced plans and public consultation to reintroduce certain types of subsidies for fleet renewal and ask you to not undermine the EU ban of such harmful subsidies. This ban has existed in the EU since 2004 and was maintained during the reform of the Common Fisheries Policy in 2014.**

The United Nations Sustainable Development Goal on the oceans, seas and marine resources (SDG 14) explicitly calls for the elimination of harmful fisheries subsidies that contribute to overcapacity and overfishing by 2020. The EU phased out aid for the construction of new vessels over a decade ago and is actively advocating for the prohibition of fisheries subsidies that contribute to overcapacity and overfishing during negotiations in the World Trade Organization (WTO).²

Amending the current State Aid Guidelines to the fisheries and aquaculture sector to re-introduce these types of subsidies in the outermost regions undermines the objectives of the Common Fisheries Policy to end overfishing, goes against the objectives of the European Fisheries and Maritime Fund which bans subsidies for vessel construction, jeopardises the EU position in the ongoing negotiations over fisheries subsidies at the WTO, and sends the wrong political signal from the EU to political leaders around the world.

The proposed amendment purports to enhance aid while, at the same time, suggests limiting it only to those circumstances where stocks are in a healthy state and Member States' fishing capacity ceilings are respected. However, these objectives cannot be achieved in tandem. Levels of fishing capacity ceilings measured in terms of tonnage (GT) and power (kW) do not capture the effective ability of a fleet to catch fish. As already highlighted by the 2011 Court of Auditors' report, the capacity of the European fishing fleet in terms of GT/kW has been decreasing for years, while real ability to catch fish has

¹ Guidelines for the examination of State aid to the fishery and aquaculture sector (OJ C 217, 2.7.2015, p. 1.)

² World Trade Organization, TN/RL/GEN/181/Rev.1.

increased due to technological progress.³ Therefore, capacity ceilings have become an inadequate measure of restriction in terms of adapting fishing fleet capacity to available fishing opportunities.⁴ In practice, subsidy-enhanced fleet capacity increases the pressure to allow fishing above sustainable levels, while the real ability of the fleets to catch fish is increasingly problematic to monitor and control in the face of widespread vessel modernisation and renewal. It will also be difficult to ensure that vessels receiving aid –and their owners– target exclusively healthy stocks. If the WTO adopted a similar rule, such conditions would be even more difficult to implement and monitor –particularly in developing countries– undermining the EU’s efforts to create a more level playing field.

In addition, scientific evidence suggests that direct fleet subsidies do not generate sufficient benefits to the fishing sector or return for investment. Previous State Aid schemes in the outermost regions for fleet renewal –such as the 40.5 million EUR scheme for new fishing vessels from the French state in 2008⁵ or the 17 million EUR programme for new vessels in the Azores available from 2007 to 2013⁶– have not been effective to improve the situation of the fishing fleet. These examples call into question the efficacy of the proposed injection of fleet renewal subsidies.

We therefore urge you to honour the objectives of the Common Fisheries Policy by not introducing any provisions that would allow for the reintroduction of subsidies for the construction of new fishing vessels.

Yours sincerely,



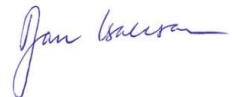
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³ European Court of Auditors, Special Report No 12 “Have EU measures contributed to adapting the capacity of the fishing fleets to available fishing opportunities?”, 2011.

⁴ European Commission reply to the European Court of Auditors Special Report No 12 “Have EU measures contributed to adapting the capacity of the fishing fleets to available fishing opportunities?”, 2011.

⁵ N354/2007 Aide d'état accordée pour la construction de navires dans le cadre du plan de développement de la flotte de pêche des départements d'Outre-Mer http://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=3_N354_2007

⁶ N98/2007 Sistema de Incentivos de apoio à pesca artesanal e costeira na Região Autónoma dos Açores, http://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=3_N98_2007

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