

EMPTYING THE SEAS

How the EU spent hundreds of millions of euros on building thousands of new fishing vessels, increasing pressure on ever-declining fish stocks

June 2013

Jack Thurston and Nils Mulvad

jack@fishsubsidy.org
nils.mulvad@kaasogmulvad.dk

**FISH
SUBSIDY
.ORG**

**AN
EU TRANSPARENCY
INITIATIVE**



Summary

This briefing note explains the distribution of subsidies for vessel construction from 1994 until 2006, when the EU ended these kinds of subsidies.

Between 1994 and 2006, the EU spent €890 million on subsidies for the construction of 5,860 new fishing vessels. EU aid was match-funded by national government aid of €307 million and a private sector contribution of €1.4 billion.

74 per cent of EU funds financed the construction of Spanish flagged vessels. The next biggest beneficiary countries were Portugal (11 per cent) and France (6 per cent).

Construction of new vessels increases EU fishing capacity and puts additional pressure on dwindling EU fish stocks.

Background

The European Parliament is considering amendments to the European Maritime and Fisheries Fund that to directly finance EU fishing fleets. They include subsidies for modernisation, engine replacement and the re-introduction of aid for the construction of new boats.

If adopted, these measures would contravene EU commitments to eliminate harmful subsidies that contribute to fisheries overcapacity and overfishing, agreed at the 2002 World Summit of Sustainable Development, the 2010 meeting of the Conference of the Parties to the Convention on Biological Diversity and the 2012 UN Conference on Sustainable Development (Rio+20). They also contravene pledges made at the World Trade Organisation. In 2006 European Commission submitted a proposal to the Rules Negotiation Group in the WTO calling for the prohibition of subsidies for both the construction of new fishing vessels and the renovation of existing ones. It stated that,

'It seems therefore obvious that the most effective way of addressing this problem is to ban the most problematic subsidies, i.e. those that relate to capacity in the context of the construction of new vessels and treatment of subsidies given for the modernisation of existing vessels. The guiding principle must be that public aid can under no circumstances contribute to overcapacity.'

Between 2007 and 2013, the EU's European Fisheries Fund will have subsidised fishing and related industries with €4.3 billion. Fuel for fishing vessels is exempt from energy taxes. State aid and EU-funded fisheries partnership agreements with non-EU countries also serve to subsidise fishing fleets and the fishing industry across the European Union. Before 2007, the EU funded fishing and related industries through the Financial Instrument for Fisheries Guidance (1994-2006). One of the most heavily funded parts of FIFG was a policy for the construction of new fishing vessels.

How much?

The EU spent €890 million on constructing new fishing vessels between 1994 and 2006. Spending reached a peak in 2002, when €213 million in EU funds was spent

on vessel construction. EU funds were co-financed by an additional €307 million in national government funding.

The total amount spent on construction of new vessels (EU funds plus national funds plus private sector funds) was €2.6 billion. Spain accounted for the largest share of funds, some 74 per cent. Next was Portugal with 11 per cent and then France with 6 per cent.

Biggest recipients

The biggest beneficiaries of EU vessel construction aid are among the biggest fishing vessels active on the world's oceans. The Helen Mary is a 116m, seven thousand tonne trawler, while the Albertun Dos and Albatun Tres are the world's biggest tuna-fishing ships. Active in the Pacific ocean, these two vessels are capable of catching



EXPENDITURE ON VESSEL CONSTRUCTION, 1994-2006

Country	EU Funds €	Share	National co-financing €	Vessels built
Spain	659,050,950	74 %	205,089,608	3,495
Portugal	98,503,567	11.1 %	16,685,184	514
France	50,928,126	5.7 %	44,568,357	678
Italy	19,107,262	2.1 %	7,408,011	141
Ireland	16,491,406	1.9 %	8,972,317	62
Germany	10,670,734	1.2 %	5,766,824	75
Greece	9,895,384	1.1 %	3,216,271	524
Denmark	9,256,283	1.0 %	2,447,698	74
Belgium	7,317,209	0.8 %	9,042,545	27
Sweden	7,234,769	0.8 %	1,823,515	88
Finland	1,954,368	0.2 %	1,970,327	175
Estonia	376,180	< 0.1 %	54,527	6
Malta	138,983	< 0.1 %	19,855	1
Total	890,925,222	100 %	307,065,037	5,860

TOP 10 PORTS BENEFITTING FROM EU VESSEL CONSTRUCTION SUBSIDIES

Port	Country	EU funds €	Vessels added to fleet
Vigo	Spain	62,285,591	80
Sta. Eugenia Riveira	Spain	40,436,494	98
Las Palmas	Spain	34,222,248	38
Cillero	Spain	26,613,869	46
Huelva	Spain	26,474,886	32
Bermeo	Spain	23,230,629	45
La Guardia	Spain	22,770,229	41
Burela	Spain	19,910,004	55
Marin	Spain	17,365,461	35
La Coruna	Spain	16,858,353	41

TOP 10 VESSELS BUILT USING EU FUNDS

Vessel	Home port	EU funds €million	Gear	Length metres
Helen Mary	Rostock, Germany	5.20	Midwater trawler	116.7
Albatun Tres	Ribeira, Spain	4.31	Purse seiner	115
Albatun Dos	Ceuta, Spain	4.31	Purse seiner	116
Albacora Uno	Ribeira, Spain	3.09	Purse seiner	105
Franca Morte	Bermeo, Spain	2.98	Bottom trawler	73.8
Doniene	Vilagarcia de Arousa, Spain	2.97	Purse seiner	109.3
Txori Agri	Bermeo, Spain	2.92	Purse seiner	106.5
Txori Toki	Bermeo, Spain	2.92	Purse seiner	106.5
Izurdia	Vigo, Spain	2.89	Purse seiner	108
Alakrana	Bermeo, Spain	2.67	Purse seiner	104.3

three thousand tonnes of tuna in a single voyage, nearly double the annual catch of some entire Pacific island countries.

The Albacora Uno is another huge vessels (pictured below). It was built with more than €3 million in EU aid and has with a notorious record of illegal fishing. In 2010 the vessel's owners were fined a record penalty of \$7 million by the US government for multiple counts of illegal fishing in the western and central Pacific ocean. Two years later the vessel's owners were fined again, this time by the Marshall Islands, for illegally catching sharks. In 2012, another of the Top 20 vessels, the Txori Argi, was fined €1.2 million for illegally fishing the waters off Mozambique.

Profile of the EU-built fleet

Of the 5,860 new fishing vessels built using EU funds, 60 per cent were Spanish flagged,

12 per cent were French flagged and 9 per cent were Portuguese flagged. The remaining countries that benefitted from vessel construction aid each account for less than two per cent of new vessels. These countries are Belgium, Germany, Denmark, Estonia, Finland, Greece, Republic of Ireland, Italy, Malta and Sweden.

Looking at fishing gear, bottom trawlers account for easily the largest share of EU funds spent on vessel construction with €401 million of the total. Next biggest were purse seiners, accounting for €131 million. Vessels with drifting longlines accounted for €108 million, vessels with gillnets for €92 million and vessels with set longlines accounted for €75 million.

The port of Vigo in north-west Spain was the biggest beneficiary port, with 80 vessels built using EU funds at a total cost of €62 million. EU funds were most often used to build very large fishing vessels. 63 per cent

of funds financed vessels that are 24 metres or longer. Only 7 per cent of funds financed vessels less than 12 metres.

Effects on fish stocks

Aid for vessel construction and modernisation has maintained or even increased overfishing. Building newer, larger and more powerful vessels increases the fishing capacity of the EU fleet and puts more pressure on fish stocks at a time when stocks have already collapsed or are on the verge of collapse. Increasing the capacity of the fishing fleet undermines any effort the EU makes towards marine and fisheries conservation.



Mainly due to poor data, scientists could forecast stock size and fishing mortality only for about one third of stocks in EU waters. In fisheries where there is data, 39 percent of stocks were overfished. In the Mediterranean, a staggering 88 percent of known stocks were overfished.

The EU fishing fleet still has the capacity to fish at two to three times the sustainable level. Financing construction of new vessels will not help bring fishing capacity in line with available stocks. Quite the reverse, it will exacerbate the imbalance and further accelerate the depletion of fish stocks, to the detriment of the marine environment, the long term livelihoods of fishermen and, ultimately, the fish-eating European public.

Member States have paid out millions of euros in EU subsidies to bluefin tuna fishing fleets, in spite of the critical status of the stock, reduction in the quota allocated to the EU in recent years, and the agreement at ICCAT (International Commission for the Conservation of Atlantic Tunas) to reduce fleet capacity. Similarly, large subsidies have been allocated to the modernisation of the Biscay and Iberian mixed whitefish bottom trawl fleets, as well as Western Mediterranean hake fleets, all of which target overexploited stocks.