

## EU pelagic industry position paper on Coastal States negotiations for pelagic stocks for 2022

### Coastal States on NEA mackerel

The mackerel situation has entered into very turbulent waters in this post-Brexit year 2021. An already unstable situation when the 3-party agreement between the EU, Faroe Islands and Norway ended in 2020 and when the UK became the new coastal state, has worsened when both Norway and the Faroe Islands decided to unilaterally increase their 2021 mackerel quotas with 55%. The result of this will be that the ICES advised 2021 TAC will be overshoot with 42%.

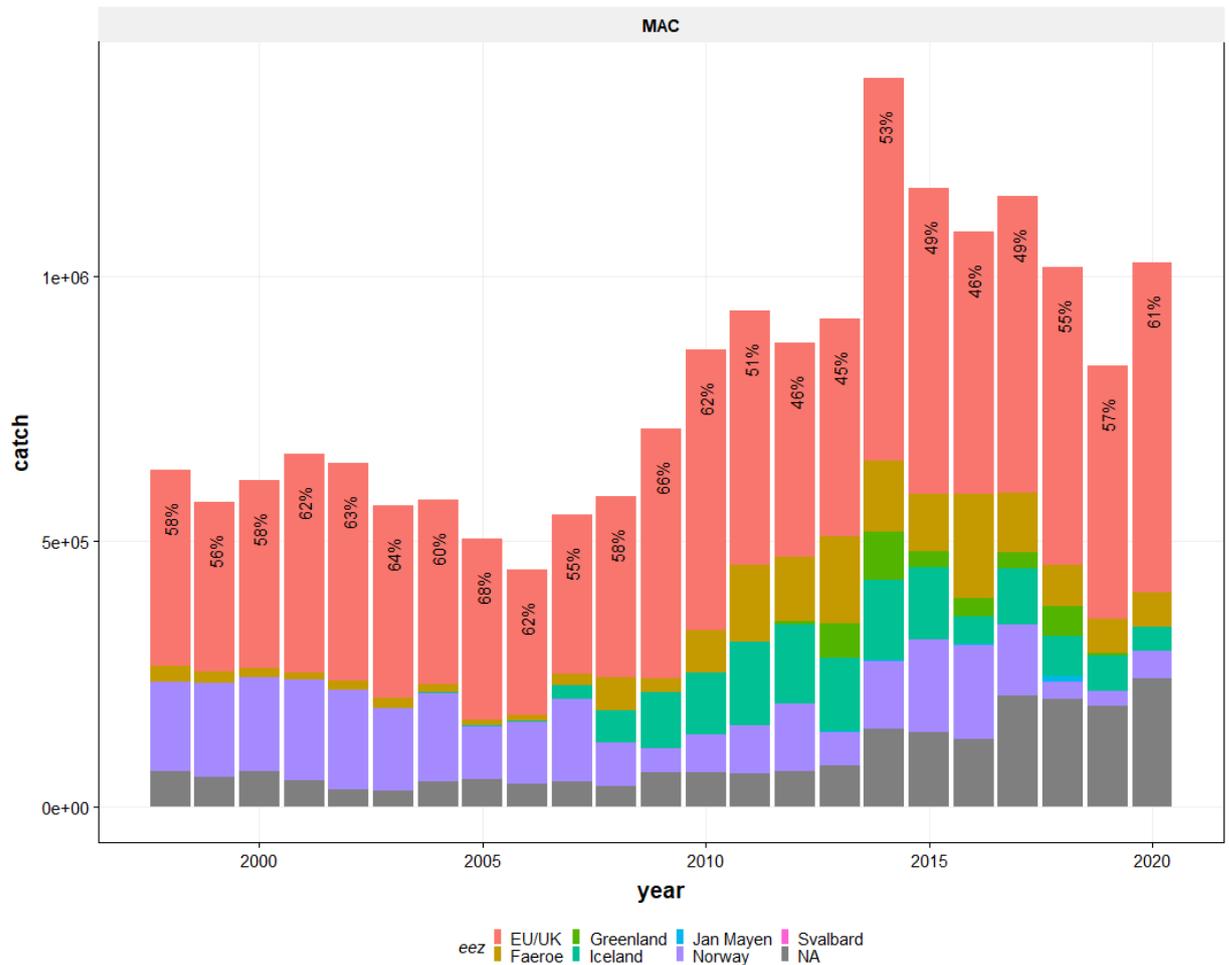
In this difficult situation the coastal states must try to find a settlement for the joint sharing and management of this stock.

a. ICES advice and TAC setting

The industry confirms the TAC recommendation by the Pelagic AC to follow the ICES advice and set the TAC in 2022 at 794,920 tons. The industry also wants to support the other recommendations regarding NEA mackerel that forms part of the PELAC recommendation.

b. Joint management and sharing arrangement

1. Under the current circumstances it is improbable that the coastal states will make progress towards reaching a sharing agreement. For the EU industry it is important to reiterate that it does not support an approach by which the coastal states would seek to make an overall sharing agreement for the 3 major pelagic stocks put together in a package deal. We do not see an advantage in this approach for the EU.
2. It is important that the EU seeks collaboration with the UK to find a joint EU-UK approach in these negotiations now the TCA has defined the bilateral relationship between EU and UK for the years to come.
3. It is also important to analyse the development over the years of the mackerel catch areas of the coastal states. In the below figure the distribution of the mackerel catches can be followed over the past two decades. For reasons of simplicity the EU and UK EEZs are taken together following the TCA outcome.  
It can be noted that between 50% and 60% of the mackerel is taken in EU/UK waters, with a notable recent increase of this percentage.  
It can also be noted that for Norway, Iceland and Faroe Islands the share of catches in their zones is reducing over the recent years and considerably lower than their unilaterally set quota shares.  
It is also clear that the catches in international waters (gray coloured) is high and increasing. From this the EU industry concludes that the EU and UK should jointly propose to limit the mackerel fishery in international waters to a maximum percentage of the quotas set by the coastal states. The industry thinks of a maximum percentage of 10%.



### Coastal states on Blue whiting

a. ICES advice and TAC setting

On the TAC setting for 2022 the pelagic industry wants to follow the ICES advice as well as the recommendations by the Pelagic AC on blue whiting.

b. Coastal states agreement on TAC setting

We support the EC in its endeavours to have the advised blue whiting TAC confirmed by all parties in the Coastal States set-up as the basis for setting the 2022 quotas.

c. Joint management and sharing arrangement

Also in the context of the blue whiting coastal states negotiations the industry wants to reiterate that it does not support a package approach for a sharing arrangement for all 3 stocks together.

Over the past 6 years (including 2021) the joint EU/UK share in the overall TAC is set at 41,24% (or 45% of the TAC minus the NEAFC share) after which the distribution of this share between the EU and UK has taken place in conformity with the TCA. This is done after it has become apparent that it was impossible to come to a comprehensive sharing and management agreement for blue whiting for 2021.

In light of the complex situation that has arisen in 2021 after the UK became a new coastal state, it seems difficult to assume that this autumn progress will be made in finding an acceptable overall sharing arrangements for blue whiting. If case of no progress the industry would opt for a continued joint EU-UK share of 41.42% of the TAC.

### Coastal states on Atlanto Scandic herring

- a. ICES advice and TAC setting  
On the TAC setting for 2022 the pelagic industry wants to follow the ICES advice (598,588 tons).
- b. Coastal states agreement on TAC setting  
We support the EC in its endeavours to have the advised AS herring TAC confirmed by all parties in the Coastal States set-up as the basis for setting the 2020 quotas.
- c. Joint management and sharing arrangement  
Just to reiterate that the industry does not support a package approach for a sharing arrangement and reciprocal access for all 3 pelagic stocks together.

### Trilateral EU-UK-NOR on North Sea herring

For North Sea herring the NPWG agrees with the PELAC recommendation to follow the ICES advice for this stock for 2022 to set the 2022 TAC based on the MSY approach in absence of a Long Term Management Strategy agreed among the 3 coastal states concerned.

The TAC according to the ICES advice is to be set at 532,183 tons for 2022.

### Bilateral EU-UK on North Sea horse mackerel

ICES advises a reduction for this stock of 36% which is the result of the trend-wise development of the stock (based on an annual survey) to which this year ICES proposes also to apply a precautionary buffer of 20% on top of this trend-wise reduction.

North Sea horse mackerel is one of the pelagic stocks most affected by the Brexit outcome: the transfer of quota share in 2022 from the EU to the UK amounts to 22.6% of the EU quota. To add another 36% would mean a reduction of quota availability of almost 60%.

In light of this and because the industry has not found a scientifically valid argumentation behind the concept of the “20% precautionary buffer”, the NPWG proposes to follow the trend-wise reduction but not the additional 20% PA buffer reduction.

Furthermore the industry joins the recommendation made by the PELAC to make use of all available data with the aim to progress this stock from the current category 3 to higher categories.

### Bilateral EU-UK on western horse mackerel

The industry has invested over the past decade and in the framework of the PELAC large amounts of time and finances in developing a rebuilding/management plan for this stock. ICES has this summer 2021 approved this rebuilding plan. As the two involved coastal states EU and UK have not yet had the opportunity to discuss and agree on this PELAC rebuilding plan, ICES has advised for 2022 a TAC based on the MSY approach (71,318 tons).

The industry as co-owner of this rebuilding plan proposes the EC to introduce this rebuilding plan to the UK counterpart. If the UK would not be able to timely accept this rebuilding plan, the TAC to be set for 2022 should follow the ICES advice (71,318 tons).

In case the UK would accept the PELAC rebuilding plan the NPWG proposes to introduce the application of this rebuilding plan in a transitory manner, i.e. over a period of 3 years, in order to glide into lower TAC levels in a gradual way.

In concreto: this would mean for 2022 a TAC of 59,566 tons.

### Bilateral EU-UK on greater silversmelt

The ICES advice for the largest greater silversmelt TAC (ICES area 5b and 6a) to the amount of 24,493 tons shows a very strong increase of 218% compared with the latest ICES advice. This is partly due to the fact that this stock has been categorized as a category 1 stock.

The EU pelagic industry has indeed noticed a strongly increased catchability of this stock over recent years and proposes the following method to set the 2022 TAC:

- a. The advice covers the silversmelt fisheries by EU/UK and by Faroe Islands.
- b. Although this is a stock fished by both EU/UK and Faroe Islands it is not a jointly managed stock. Traditionally both sides set their unilateral quotas.
- c. Over the past many years the sum of the two unilateral quotas has exceeded the ICES advice.
- d. The new ICES advice for a TAC for 2022 exceeds the sum of the 2021 unilateral quotas with 58.75%.
- e. If therefore both unilateral quotas for 2021 would be increased with 58.75%, the sum of both quotas in 2022 would be equal to the ICES advice of 24,493 tons.
- f. Therefore, the NPWG proposes to increase the 2021 TAC with 58.75%.  
This would result in a 2022 TAC for greater silversmelt in ICES area 5b/6a for EU/UK together of 5,920 tons.

### Bilateral EU-Norway on the exchange of quotas (the 'balance')

The balance that was reached in the 2021 bilateral agreement EU-Norway was a very difficult one as it was the first one after the UK had left the EU. For the NPWG the most important aspect of the balance is the amount of blue whiting that ends up in the balance. The final outcome in 2021

resulted in a blue whiting transfer of 37,500 tons of northern blue whiting (WHB/1x14) to Norway. In particular in light of the very complex situation regarding the 2021 balance, this amount must be characterized as an overall acceptable outcome for the pelagic fleet. It remains however regrettable that also in 2021 no contribution to the balance was demanded from the southern blue whiting sub-TAC (WHB/8c3411).

Therefore for the 2022 balance the position on the balance for the NPWG is as follows:

- The blue whiting transfer shall be reduced in line with the reduction of the blue whiting TAC (-19%). This is under the proviso that the EU/UK again will set a quota of 41.42% of the TAC as advised by ICES. If the EU/UK would not take this share, the reduction of the blue whiting shall be in line with the real reduction of the 2022 EU/UK quota share as compared to the 2021 quota share.
- The southern blue whiting component must contribute proportionally to the 2022 balance.