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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

on Member States' efforts during 2010 to achieve a sustainable balance between fishing capacity and fishing opportunities

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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

on Member States' efforts during 2010 to achieve a sustainable balance between fishing capacity and fishing opportunities

1. INTRODUCTION

Member States are required to submit to the Commission, before 1 May each year, a report on their efforts during the previous year to achieve a sustainable balance between fleet capacity and available fishing opportunities. On the basis of these reports and the data in the EU fishing fleet register, the Commission produced a summary for 2010, and presented it to the Scientific, Technical and Economic Committee for Fisheries (STECF) and to the Committee for Fisheries and Aquaculture. This report from the Commission now presents that summary of the Member States' reports, plus a technical annex and the opinions of the above-mentioned committees to the Council and the European Parliament.

The value of these reports for assessing the capacity in Member States is unfortunately still limited. The Court of Auditors concluded that the rules under which Member States report are inadequate and lack clarity and considers that this is one of the reasons for the incomplete and inadequate reporting by most Member States, with the consequence that it is impossible to derive conclusions regarding fishing overcapacity. The Commission concurs with these conclusions and, pending the reform of the Common Fisheries Policy, will continue work with STECF and Member States to further develop the existing Commission Services capacity guidelines to provide greater clarity on the requested information and reporting structure.

2. SUMMARY OF MEMBER STATES' REPORTS

The summaries that follow are based on the reports submitted by Member States[1]. They condensate the Member States' own assessment of the balance between the size of their fleet and the resources allocated to it. The Commission proposed Member States to use the Commission Services Guidelines for the assessment of the balance between fishing capacity and fishing opportunities prepared on the basis of the advice from STECF. Whenever mentioned they are referred to as the 'guidelines'

2.1. Belgium

The guidelines were applied in the report for two beam trawler segments. The average value of the biological indicator for both plaice and sole was acceptable. Capacity utilisation was between 80% and 90%. The ROI[2] for 2009 showed negative

[1] These reports are published in the Commission's website

[2] Return on investment

values but this might be due to a new calculation method. The number of FTE[3] continues to decline while the wages improved slightly for the 24-40 m segment and decreased in the 12-24 m segment.

Two vessels were partially decommissioned in 2010. The main achievement during the year was the implementation of an on-board investment programme under the European Fisheries Fund, including investments on board improving energy efficiency.

2.2. Bulgaria

The guidelines were applied in the report. Bulgaria concludes that fish stocks and the fleet appear to be in balance.. For vessels with a length under 12 meters Bulgaria wants to improve the balance by means of scrapping and modernization measures. The capacity of the Bulgarian fishing fleet increased during 2010 by 3.0% in tonnage and 5.1% in power. The number of vessels increased by 134 (6.1%). The number of fishing days also increased in 2010 compared to 2009 as a result of an administration's decision to replace inactive vessels to provide an opportunity to new vessels owners. In 2010 a total of 1,311 vessels (56% of all vessels) were inactive.

2.3. Denmark

The guidelines were applied for 11 fleet segments. The analysis shows a stable situation and indicates that there is no significant long term physical overcapacity. However, when passive vessels are included there is overcapacity in the segments of small vessels. Economic indicators show increasing overcapacity in economic terms. Transferability of quotas has resulted in a decrease in the number of commercial vessels.

In 2010, the capacity of the Danish fishing fleet was reduced by 9.5 % in GT, 9.4 % in kW and 3.1 % in terms of the number of vessels. The main reduction was seen in the segment of vessels between 12 and 24m. The fleet is subject to the cod recovery plan for the North and Baltic seas. During 2009-2010, fishing effort was rather stable in the North Sea and decreased by 16% in the Baltic Sea.

2.4. Germany

The report commented on balance based on a qualitative biological approach and did not reach a formal conclusion on status. The balance indicators are not estimated. The qualitative approach suggests that fleets are broadly in balance with fishing opportunities but makes no reference to effort available and deployed. There were 1,674 vessels, 67,219 GT, and 158,385 kW in the fleet register on 31/12/10. There was a net reduction of 93 vessels during the year. Most of the reduction was achieved by vessel removal from small scale coastal fleets. The capacities of the over 12m passive gear segment and the beam trawl segment (lists I and II) were reduced mainly due to the poor condition of the herring stocks.

[3] Full time employment

2.5. Estonia

The guidelines were applied in the report. Capacity utilisation is low for the Baltic Sea trawlers, although it has increased from 60 to 70% while the number of vessels involved decreased. For the high seas vessels, capacity utilisation has an acceptable value. The ROI is positive for Baltic trawlers and high seas vessels but is negative for small-scale vessels (those with length less than 12 meters). According to the Estonian Marine Institute the capacity of the Baltic trawlers segment and the high seas vessels were below the optimum capacity. In both cases this refers to the active fleet only.

During 2010, the capacity of the Baltic trawlers segment decreased 10% in kW and 2% in GT; five vessels left the fleet with public aid. The capacity of the high seas segment increased by 7%.

2.6. Greece

The report did not include the calculation of indicators proposed in the guidelines. It was not possible to provide the technical and biological indicators in the report because the National Fisheries Data Collection Programme was not carried out. However, from data on catches and fishing effort collected under other programmes, the report concludes that fishing activities and the situation of biological stocks were unchanged from the previous year. In 2010 no fishing vessels left the fleet with public aid. The vessels withdrawn from the fleet were mainly small-scale coastal fishing vessels. During 2010, the fishing fleet was reduced by 100 vessels (0.6%), and its fishing capacity decreased by 0.08% in kW but increased by 0.1% in GT.

2.7. Spain

The guidelines were partially applied to some fleet segments due to difficulties with data availability and the diverse nature of the Spanish fleet. The only indicator used was *cpue*[4]. No conclusions on the balance between fishing capacity and fishing opportunities were included in the report. The report provides a description of the various fleets segment and special fishing permits which make the Spanish fleet, categorized by their area of operation, the fishing gears used and the species targeted.

Between 2009 and 2010 the capacity of the fleet was reduced by 274 vessels (2.46%), by 5.6 % in terms of tonnage and 4.5 % in terms of power. However, a relation between this capacity reduction and the fishing effort adjustment plans that concern the Spanish fleet was insufficiently established.

2.8. France

The guidelines were not applied in the French report; instead France preferred to apply four alternative indicators. Based on the trend in fleet capacity and the rate of quota consumption the report concludes that most French fisheries show a balance between fishing capacity and fishing opportunities. The capacity of the continental French fleet continues to decline and was reduced by approximately 20% in terms of power and number of vessels between 31 December 2006 and 31 December 2010.

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[4] Catch per unit of effort

Over the same period, the high seas fleet registered in the French outermost regions was reduced by 10% while the small scale fleets in these regions increased its size by 30%. The report provides a list of all special fishing permit regimes and the main species subject to quota or effort restrictions, but insufficiently established the relation between these regimes and fishing capacity reductions.

2.9. Ireland

The guidelines were not applied in the Irish report and no assessment of the balance between fleet capacity and fishing opportunities was included. The fleet is divided into five segments. The most important ones are the pelagic segment, made of 23 pelagic trawlers, and the polyvalent segment which comprises the bulk of the fleet. The report states that many of the targeted stocks are outside safe biological limits, which is evidenced by the decline in quotas and landings. The Irish fleet is subject to the fishing effort reduction scheme adopted under Annex II to the TAC and quota Regulation and to the Western Waters regime, but the administration has found it difficult to assess the effect of effort reduction schemes on fleet capacity.

2.10. Italy

The guidelines were applied in the Italian report. The indicators were calculated on the basis of 2010 data. The only biological indicator used was *cpue*. Its value decreased slightly in 2010 with respect to 2009, mainly due to the trawler segment, but still improved for small-scale vessels, seiners and netters. Capacity utilisation was lower than in 2009. The average figure for the whole fleet is only 54%, although trawlers, beam trawlers and seiner have values above 70%. The economic indicators present negative values for the bigger trawlers and seiners. Overall, the balance between the fleet and the fishing opportunities worsened during 2010.

During 2010, the capacity of the Italian fleet was reduced by approximately 4% in terms of both tonnage and 3.2 % in power while the number of vessels decreased only by 0.5 %.

2.11. Cyprus

The guidelines were applied in the report. There are indications of overcapacity for the demersal trawlers. Their *cpue* and income decreased and although they are fully utilized, they are subject to a long closed fishery period. For the small-scale fleet, a relatively stable *cpue* combined with low utilisation and decreasing income suggest an excess of capacity. The fleet segment of polyvalent passive gears (12-24 m) although underutilized, showed an increase in *cpue* and income; the withdrawal of vessels under the fleet adaptation scheme suggests that as from 2010 the capacity may be in balance with the fishing opportunities.

During the period 2009-2010 the fishing fleet was reduced by 21.4% in GT, 11.4% in kW and 13.4% in number of vessels. In 2010 the implementation of the multiannual recovery plan for bluefin tuna resulted in the reduction of the longliner fleet that targets this species by 44% in GT and 58% in kW.

2.12. Latvia

The guidelines were applied in the report. The biological indicators calculated suggest that fishing is on sustainable or close to sustainable levels. The economic indicator (CR/BER[5]) shows a profitable activity for all segments in 2009 and the social indicators illustrate the economic importance of the fisheries sector for the population. Capacity utilization has low values, less than 70% for all segments, but this is not considered a sign of structural imbalance. On this basis, the report concludes that further capacity reductions would result in a better balance between fishing capacity and fishing opportunities.

During 2010, the capacity of the fleet decreased by 424 GT (1.0%), by 1 002 kW (1.6%) and by 8 vessels (1.0%).

2.13. Lithuania

The guidelines were not applied in the report and no assessment of the balance between fleet capacity and fishing opportunities was included. Lithuania states that while achieving such a balance the fishing fleet must retain sufficient overall capacity to be able to use the quotas allocated to it. For the small-scale vessels the quota utilisation was relatively low.

The capacity of the Lithuanian fishing fleet was reduced in 2010 by 3 325 GT (6.75%), by 1 990 kW (3.53%) and by 22 vessels (11.4%), most of this capacity having come out of the long distance fleet. Lithuania's fishing fleet was reduced before the multiannual cod management plan for the Baltic came into force and therefore this plan did not have any impact on the reduction of the fleet.

2.14. Malta

The guidelines were applied in the report. It concludes that the status of the resources exploited by the Maltese fishing fleet is such that a reduction in fishing capacity is not required. The technical indicator shows a low utilisation of the fleet, less than half of the Maltese current fleet is being used. The biological indicator has a high value for the trawler fleet. The report states that the overall significance of this result is low because there is insufficient data available to carry out analytical stock assessments. For the social indicator only one segment is considered to be sustainable in 2009.

During 2010, 8 fishing vessels stopped their fishing activities through the permanent cessation aid scheme. No fishing effort adjustment scheme was applied to the Maltese fleet.

2.15. The Netherlands

The guidelines were applied to the beam trawl segment and to the pelagic freezer trawler segment. The value of the technical indicator increased substantially for the beam trawl sector, from 0.67 in 2009 to 0.89 in 2010. The value would be 0.7 if the theoretical maximum number of days is calculated, indicating overcapacity in the

[5] Current revenue divided by break-even revenue

fleet, because the quota could be harvested with fewer vessels. The biological indicators is still greater than 1, but is expected to improve in 2011.

The flat fish sector achieved better economic results in 2009 due to reduced oil prices. For the pelagic fleet, the gross value added indicator shows a strong decrease caused by high fuel prices, reduced quota and decreased fish prices.

In 2010 the number of vessels increased by 1.8%, but capacity decreased by 2% in kW and 5% in GT.

2.16. Poland

The guidelines were applied in the report. The report concludes that the level of fishing capacity is safe for vessels under 10 metres and for vessels between 12 and 18 metres using bottom trawls. For other segments, there is a risk of unbalanced fishing capacity. In sub-areas 22–24 the fishing mortality for these stocks in 2008 was higher than target mortality. None of the fleet segments achieved good results for the economic capacity indicators used. For most vessel segments, except the pelagic vessel segment, salaries are below the average level of remuneration in the national economy. Added value generated by the Baltic fishing industry in 2008 was 5.3 ‰ of GNI.

In the course of 2010, 18 vessels were decommissioned with public aid, resulting in a permanent decrease in the Polish fleet's fishing capacity of 1 528 GT and 4 379 kW.

2.17. Portugal

The guidelines were applied in the report, which concludes that the fleet can operate on a sustainable way, from both a biological and an economic point of view. The indicators show a low capacity utilisation for the small scale fleet and low profitability for the trawlers with length over 24 m. The ratio between catches and biomass was used as biological indicator for two species, sardines and hake.

During 2010, the total fleet capacity decreased by 2.4 % and 2% in terms of tonnage and power respectively. The capacity of the coastal trawlers segment was reduced by more than 8%, while in Madeira there was an increase in capacity. Portugal implemented seven fishing effort adjustment schemes, as a result of which 35 fishing vessels stopped their fishing activities with public aid during 2010.

2.18. Romania

The guidelines were not applied in the Romanian report, although economic data were provided. Of the 522 vessels in the fleet register only 380 vessels were active in 2010. Sprat catches (28.4 tons) remain far below the quota allocated (12 750 tons) and the fleet is old and in poor technical condition. Therefore, the report concludes there is no imbalance between capacity and fish stocks. Moreover, the prohibition to use bottom trawling supports the view that the fleet is operating in a sustainable manner from the biological point of view.

During 2010 the capacity of the fleet was reduced by 35.4% in terms of GT. Romania registered 46 vessels (396 GT and 2 979 kW) on the basis of an administrative decision taken before accession, and 9 vessels left the fleet with public

aid with a total capacity of 565 GT and 1 500 kW. Romania wishes to maintain a minimum level of its fishing fleet ("minimum vitalis"), estimated at 12-13 modern fishing vessels.

2.19. Slovenia

The guidelines were used in the report. *cpue* for anchovy shows a downward trend, while *cpue* for sardine shows an upward trend. A negative trend of catch per unit of effort for the majority of the target species has been established for the fishing vessels using set gill nets and bottom otter trawls.

The overcapacity of the Slovenian fishing fleet is evident from the technical indicator with values under 70%. In addition, analysis revealed that the fishing effort for gill nets, trammel nets and bottom otter trawls is too high.

In 2010, there were no changes in the Slovenian fishing fleet. Slovenia intends to implement measures for the limitations of fishing effort, the opportunity to reduce the number of vessels by providing public aid for scrapping and the possibility for permanent or temporary withdrawal from the fishing fleet.

2.20. Finland

The report did not use the guidelines but it concluded that the fleet can be considered to be in an acceptable balance with the fishing opportunities. Quota utilisation is somewhat low for all species, except for sprat and cod. The pelagic fishery is considered to be fully exploited so no increase in capacity has been allowed for vessels over 12 meters.

During 2010 there was a slight increase in the total fleet capacity of 143 GT and 440 kW. This increase took place in the small scale coastal fisheries, while at the same time the capacity of the pelagic trawler fleet decreased. In 2010 the effort increased by 8.8% in relation to 2009, most of this increase in the pelagic fisheries.

2.21. Sweden

The guidelines were applied in the report. The indicators reveal overcapacity in several segments of the fleet. The gross value added shows that fishing contributes to the economy, although is considered low per FTE or per vessel. Fishing mortality is still too high in three segments. Capacity utilisation varies between 30 and 72% (calculated for kW-days). The fleet is subject to the cod recovery plan in Skagerrak, Kattegat and the North Sea. A scrapping scheme targeting bottom trawlers affected by these measures reduced the capacity by 1 426 GT and 6 284 kW.

Overall the capacity decreased by 3.6% in number of vessels, by 12.4% in GT and by 7.8% in kW. The entry-exit system, scrapping schemes and the transferable fishing rights for the pelagic fishery have played a part in adapting fishing capacity.

2.22. United Kingdom

The UK had not submitted its report.

3. COMPLIANCE WITH FISHING CAPACITY MANAGEMENT RULES

All Member States have complied with these rules, including the specific limitations for the fleets registered in the outermost regions. But it should be noted that the capacity ceilings were not restrictive anymore and by that did not contribute at the moment to the objective of reducing overcapacity. Overall, the fishing capacity of the EU fleet was 12 % below the capacity ceilings for tonnage and 9% below the power ceilings, with these margins varying from 2% to 63% (tables 1 and 2 of the technical annex to this report).

According to the EU fishing fleet register, on 31 December 2010 the EU fishing fleet was made of 78 831 vessels with a total fishing capacity of 1 674 320 GT and 6 058 017 kW. During 2010, the number of vessels decreased by 0.96 %, while tonnage and power decreased by 3.8 % and 2.5 % respectively. These figures include the vessels registered in the outermost regions. This limited decrease in capacity is hardly sufficient to compensate an estimated technical progress of 3% per year.

During the eight year period from 2003 to 2010, approximately 338 000 GT and 1058 000 kW were withdrawn from the EU fleet (including the outermost regions) with public aid, of which 32 672 GT and 87 645 kW were withdrawn in 2010.

4. QUALITY OF MEMBER STATES' REPORTS

Of the twenty-two Member States concerned, fifteen Member States were judged to have given an overall opinion concerning the balance between fishing capacity and fishing opportunities. The UK has not submitted its fleet report.

Of those fifteen Member States eight Member States received from STECF a quality score of equal to or more than two points (out of three points), and seven Member States had a quality score of equal to or less than one and a half points. Only four Member States achieved the maximum score of three points.

This outcome means that although a growing number of Member States are applying in full or in part the Commission Services guidelines and submitting their reports within the deadline, improvements are still necessary in order to achieve the quality needed to be able to draw a comprehensive overview of the balance between fishing capacity and fishing opportunities.

In some cases the claim of having a balance between fleet capacity and fishing opportunities is not underpinned by any capacity indicator of the guidelines, or a substitute thereof. More work needs to be done to better justify these assessments based on the results of the indicators.

In order to be able to monitor the balance, Member States are strongly recommended to use the Commission Services guidelines and give reasoned conclusions on the state of that balance. STECF concludes in the plenary report of November 2011 that balance or imbalance itself cannot be measured or given a quantitative value, given the complexity of the factors to be taken into account (biological, economic and social). Therefore qualitative descriptive assessments of the degree of balance or imbalance between fleet capacity and fishing opportunity are useful when based on evidence.

In addition to reliable data, the knowledge and experience of the Member State about the situation of its fleets is of utmost importance and enables a Member State to present a responsible and well underpinned analysis on the balance between fishing capacity and fishing opportunities.

Nevertheless, Member States still encounter problems when applying the guidelines. The Court of Auditors concluded that the rules under which Member States report on their efforts to balance fishing capacity with fishing opportunities are inadequate and lack clarity. The Court states that this is one of the reasons for the incomplete and inadequate reporting by most Member States, with the consequence that it is impossible to derive conclusions regarding fishing overcapacity. The biological indicators are still the most problematic. The mortality ratios or the catch to biomass ratios are of limited applicability due to its complexity or lack of data. The Commission will work with STECF and Member States to further develop the existing Commission Services guidelines for the Member States on how to assess overcapacity and introduce reporting templates, designed by STECF, to provide greater clarity on the requested information and reporting structure.

The assessment of STECF was summarized as follows:

Overall there is once again substantial variation in the completeness and quality of MS reports for 2010 but there is a further general improvement in completeness and quality compared to the reports for 2009. Balance indicators were presented to an overall higher standard than in the 2009 reports.

Key points of note are:

There has been some further overall improvement in providing the required elements of the MS reports compared to the 2009 reports.

Five MS (Cyprus, Malta, Portugal, Slovenia and Sweden) achieved full marks for including required elements, compared to only two MS for their 2009 reports, despite stricter judging on inclusion of required elements this year.

The required element presented by the least number of MS is, once again, element 1.d.ii, plan for improvements in the fleet management system, which was presented by only eight MS.

15 MS were judged to have given an overall opinion on whether their fleet was or was not in balance with its fishing opportunity in 2010 (compared to 13 in 2009 reports and 7 in the 2008 reports).

Sweden made the biggest improvement in quality score, moving from 16.5 for their 2009 report to 30 out of 33 possible marks for their 2010 report.

Table 1 shows STECF's scoreboard for inclusion of required elements in the MS reports.

Q	Required element of report	Max scores	BE	BG	CY	DK	EE	FI	FR	DE	EL	IE	IT	LV	LT	MT	NL	PL	PT	RO	SI	ES	SE
1A	i) Description of fleets	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
	ii) Link with fisheries	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
	iii) Development in fleets	3	3	3	3	3	3	3	3	3	3	0	3	3	3	3	3	3	3	3	3	3	3
1B	i) statement of effort reduction schemes	2	2	2	2	2	2	2	2	0	2	2	2	2	2	2	2	2	2	2	2	2	2
	ii) impact on fishing capacity of effort reduction schemes	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
1C	Statement of compliance with entry / exit scheme and with level of reference	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
1D	i) Summary of weaknesses & strengths of fleet management system	1	0	1	1	1	0	1	0	1	0	1	1	1	1	1	1	1	1	1	1	0	1
	ii) plan for improvements in fleet management system	2	0	2	2	0	0	0	0	0	2	0	0	0	0	2	0	2	2	0	2	0	2
	iii) information on general level of compliance with fleet policy instruments	1	0	1	1	1	1	1	1	0	0	0	1	1	0	1	1	1	1	1	1	1	1
1E	Information on changes of the administrative procedures relevant to fleet management	1	1	0	1	1	0	1	0	1	1	0	1	1	1	1	1	1	1	1	1	1	1
2	Report 10 pages or less?	1	1	1	1	1	1	1	0	1	1	1	0	1	1	1	1	1	1	1	1	0	1
O	Overall: does report assess balance between capacity & opportunity?	3	3	3	3	3	0	3	3	3	3	0	3	0	0	3	3	0	3	3	3	0	3
Total scores:		24	20	23	24	22	17	22	19	19	22	14	21	19	18	24	22	21	24	22	24	17	24

Table 1: Scores by Member State for inclusion of required elements in annual reports Table 1: Scores by Member State for quality of required elements in annual reports

5. CONCLUSIONS

Fleet capacity remains one of the main obstacles to achieve sustainable fisheries and is one of the elements that the Commission proposes to address with the proposed reform of the Common Fisheries Policy.

The data form 2010 indicates that capacity reductions during 2010, 3.6 % in tonnage and 2% in power are in line with those of previous years although they seemed to indicate a slight acceleration of the capacity adjustment in terms to tonnage.

The amount of capacity decommissioned with public aid in 2010 was reduced in relation to 2009 and was concentrated in a few Member States. Spain, Italy and France accounted for approximately 80% of the total tonnage. This tonnage decommissioned with public aid represented approximately 50% of the net tonnage reduction during the year.

A weakness in the management system, mentioned in the Danish report, is the difficulty to verify whether the engine power is stated correctly. This is not a specific Danish problem, but concerns other Member States as well.

Once more, the data on nominal fleet reduction tells us very little regarding the real question of overcapacity: the inability of fixed parameters (such as GT and kW) to capture technical progress, together with the difficulties related to the measurement of engine power in practice, makes the formal compliance with capacity limits almost meaningless.

The 2009 Annual Economic Report revealed that a significant number of fishing vessels, most of them of small size, had no fishing activity. Although inactivity of vessels can be due to a variety of technical, economical and social reasons, a combination of low activity levels, excessive fishing pressure in some stocks and poor economic performance indicate that excess of capacity remains one of the main obstacles in the way to sustainable fishing. A consistent approach on how to apply the capacity of inactive vessels in the assessment of overcapacity is necessary, as it might lead to a different conclusion on the existence of overcapacity. As many inactive vessels are more or less 'ready to fish', they should be taken into account in order to have a complete view on overcapacity.

Some fleet segments depend on the availability of subsidies in order to survive. A high dependency of subsidies in order to be able to deliver good economic and social results is another indication of possible economic overcapacity.

Several Member States have concluded in their reports that a reduced capacity would contribute to improve the biological and economic sustainability of certain fishing activities. The reduction in fishing capacity, with or without the use of public funds, in order to achieve a balance between fishing capacity and fishing opportunities is a responsibility of the Member States concerned. Capacity adjustments depend not only on the measures taken by Member States' administrations but also on the sector's willingness to reduce fishing capacity. At the current rate of capacity reductions, which are at least partly compensated by technological progress, it will be difficult to eliminate overcapacity in the short term if no changes are made to the

current policy. These observations put into question the need and effectiveness of publicly financed capacity reductions. Also the Court of Auditors concluded in their report that current measures have failed and that either a new approach to tackling the problem needs to be adopted and, or existing measures have to be better enforced.

Despite the use of better defined indicators, the current capacity limitations turned out to be not effective in dealing with the overcapacity. The Commission is addressing the shortcomings of the current system in its Reform proposals for a new Common Fisheries Policy.