

COUNTRY NOTE ON NATIONAL FISHERIES MANAGEMENT SYSTEMS -- GERMANY

Historical overview

1. There has been an ongoing structural change in the German fleet since the end of World War II. In the 1950s, nearly 1 500 cutters, 200 trawlers and 100 herring luggers were active in the high seas. In the light of developments in maritime law, signs of overfishing and measures for the management and the conservation of fish stocks, fleet capacity has been showing a clearly declining trend for years. Luger fishery has not existed for years.

Large deep-sea fisheries¹

2. Whereas, at the beginning of the 1970s, there were still 110 vessels of the large deep-sea fisheries in service (67 wet fish trawlers and 43 fishing and factory vessels) predominantly operating off the coasts of third countries, in early 1985 only 21 vessels - 9 wet fish trawlers and 12 fishing and factory vessels - were still in service. Afterwards, the large deep-sea fisheries were restructured and renewed through the building of small trawlers, through the modernisation of the remaining fishing and factory ships as well as by entering pelagic fishing with special vessels.

3. Until the unification of Germany in 1990, the large deep-sea fisheries fleet of the former West Germany was further reduced to a total of 11 vessels - 6 fishing and factory ships, two of which were specialised pelagic fishing vessels, and 5 wet fish trawlers.

4. The loss of important fishing grounds (especially those off the coast of Iceland since 1977), restrictions in fishing rights in the remaining fishing grounds, and difficult fishing conditions in certain fishing grounds due to biological, climatic and hydrological reasons as well as high costs, have made the deployment of the German fishery fleet less profitable and have led to, among other things, the inability to even completely exploit available fishing rights.

5. In the past, the former GDR had built up a considerably large fleet for distant fisheries. At the time of unification (1990), their deep-sea fleet consisted of 23 fishing and factory ships deployable world-wide as well as five pelagic fishing vessels. Following the privatisation of the formerly state-owned fleet, only seven vessels are involved in large deep-sea fisheries (distant fisheries), since the fishing rights off the coasts of third countries brought in by the former GDR could no longer be exploited under the different market economy conditions.

Small deep-sea and coastal fisheries²

6. The number of vessels engaged in small deep-sea and coastal fisheries has also been in decline. At the beginning of the 1970s, there were around 958 vessels engaged in small deep-sea and coastal

¹ Large deep-sea fisheries are conducted by fishing and factory ships - with over 3 000 g.r.t. - and fishing trawlers with around 300 to 800 g.r.t. and are targeted at fishing in grounds very far away (from the home port).

² These include vessels up to 250 g.r.t, whose fishing grounds are mainly the North and Baltic seas.

fisheries; this number dropped to 655 cutters in 1985. The numbers of this fleet have not decreased as sharply as the large deep-sea fishery fleets. Despite the reduction in the number of vessels, there was no noticeable decrease in the catching capacity up to then, as the smaller cutters which were scrapped were replaced by larger, more efficient vessels.

7. Now, since the mid-80s, capacities in small deep-sea and coastal fisheries have also been noticeably reduced; by 1990, capacities had been cut by 40% overall. At the time of unification (1990), this fleet only totalled 560 vessels in the former West Germany.

8. At the same time (1990), in the former East Germany, around 1 200 vessels of the small deep-sea and coastal fisheries were in service, of which the vast majority were only active in waters close to the coast.

Present situation

9. The German fishing fleet comprised 2 238 vessels with a total tonnage of 68 823 GT and a total engine capacity of 163 910 kW in 2003. The large deep-sea fisheries fleet consisted of 12 vessels. The small deep-sea and coastal fisheries fleet consists of 2 226 vessels, including 36 deep-sea cutters, 291 crab cutters, and 1 899 other coastal cutters and open vessels.

10. On an international scale Germany does not form part of the major fishing nations. The landings of German fishing vessels in 2002 amounted to about 183 257 t (landing weight) valued at about EUR 190 million. German vessels predominantly caught pelagic species like herring, mackerel and horse mackerel, blue whiting as well as, to a lesser extent, cod, saithe, redfish and flat-fish. The fishing sector's contribution to the gross national product is less than 1%. 4 270 persons are employed in the fishery sector, of which 470 are working in the large deep sea fisheries, the rest in cutter- and coastal fisheries. In total, there are 1 557 enterprises.

Management Systems and Experience

11. German fishery policy is conducted within the framework of the Common Fisheries Policy of the European Union. At a European level, the total fishing quotas allocated to the EU are divided among the Member States. Details of this procedure follow from the Report of the European Commission on Management Studies. The quotas available to Germany are then nationally administered in keeping with the rules of Community law. The following measures may be distinguished:

Limited access

12. Due to the worrisome situation of the stocks accessible to the Community fleets, the Community has adopted measures intended to reduce the fishing effort. Thus, Germany has laid down in the Sea Fisheries Act that fishery enterprises only have the right to be granted a fishing licence if they use fishing vessels which were already in service in 1986 and 1987 on the basis of a licence or whose construction or purchase was or is financed through funds of the Federal Government or the Federal States (*Laender*). Those who wish to catch species of fish which are subject to a limitation of fishing effort according to EU law need a licence; i.e. virtually all species of fish caught commercially are affected.

13. All other purchase or new construction measures require the consent of the Federal Ministry of Food, Agriculture and Forestry. The prerequisite for the consent is, among other things, that the new vessel replaces a fishing vessel belonging to a fleet category where the capacity has already remained below the upper limit of the sub-capacity set by the Community for the German fishing fleet. The replacement vessel must not be larger or more powerful than the vessel to be replaced.

Quota administration

General distribution of fishing quotas

14. The Total Allowable Catches (TACs) and fishing conditions are annually set for every member country for the important fish stocks or groups of stocks following scientific counsel by the Fisheries Council of the European Community. The fishing quotas allocated to the Federal Republic of Germany are distributed every year by the Federal Office for Agriculture and Food on the basis of the Sea Fisheries Act. In accordance with Section 3, paragraph 2 of the Sea Fisheries Act, when measuring the allocation, the effectiveness and suitability of the fishery enterprises, their previous participation in the fisheries at hand, the economic operation of the fishery fleet, and the best possible supply of the market are to be taken into account.

15. Fishing quotas are allocated at the end of the year in each case, as soon as the fishing amounts available for the following year have been determined. In the first step, the quotas are in each case divided among the cutter fleets and the deep-sea fleets. Afterwards, the criteria according to which the fishing quotas in the fleet categories are to be divided are then laid down. Prior to the final decision regarding allocation criteria, the professional association and the *Laender* involved are consulted. This arrangement is valid for all species of fish for which fishing quotas are set. Following the initial distribution among deep-sea and trawler fishery, there are different possibilities for individual fishery enterprises to use their fishing quotas:

General fishing licence

16. This is the rule and is in principle used for all types of fishery. At the beginning of a year, fishery is generally permitted until this permission is revoked. Thus, each fishery enterprise can establish the focal points of its fishery and can fish without further significant quota limitations until the revocation of this general fishing licence. This type of quota release is used in each case for those stocks for which quotas have been set where it is not likely that the available national quota will be exhausted in a very short time.

Individual fishing licence

17. In those cases where the fishing amount available is too small in order to permit unlimited fishing, individual fishing licences are issued. This gives individual enterprises or associations of enterprises, such as producers' organisations, permission to fish and land a set amount of a specific stock or group of stocks within a fishing area. This form of allocation is being practised with Baltic cod and saithe as well as and mainly with fishing quotas in third-country waters.

Other management measures

18. Besides the possibility of granting general or individual fishing licences, further forms of management are used. For example, for the fishing of sole, a maximum weekly or monthly catch amount is regularly set in order to prevent an early exhaustion of the quota. In some cases, a maximum allowable catch is set per fishing journey. Furthermore, in the case of low fishing quotas, specific fishing is forbidden in specific sea areas and only unavoidable by-catch is allowed. This is according to the First Announcement Regarding Fishery by German fishery enterprises in 2003, for instance the case in ICES area of III a N (Skagerrak).

Quota monitoring

19. In order to ensure compliance with the maximum allowable catches, there is a comprehensive system of surveillance within the European Communities. Thus, in order to name two examples, according

to Council Regulation (EEC) No. 2847/93 on the Introduction of a Control Regulation for the Common Fisheries Policy, every captain of a fishery vessel with a length of 10 metres or more is required to keep a logbook of fishery in which comprehensive information on the species caught, amounts, areas and time is to be recorded. Furthermore, the fishmongers who take over the initial marketing of landed fishery products, and/or the buyer, are required to present a sales invoice to the responsible authorities.

Analysis

20. The yearly quotas also allocated by the German fisheries administration are the usual practice internationally. However, at the EC level, the permission of management on a multi-year basis is under consideration. Should the EU fix such quotas for the individual member states, this would also mean that the German national quota administrative board would allocate corresponding multi-year quotas to the fishers. Such multi-year quotas certainly bring the fishers advantages, since this would give the fishers more flexibility in managing their allocated resources. This is especially true regarding fish species whose main fishing seasons extend beyond the end of a calendar year. Such increased flexibility would certainly bring economic advantages for the fishers.

21. From an administrative point of view, such a multi-year quota would mean more work for the quota administration. The surveillance of multi-year quotas could well be much more difficult than the surveillance of annual quotas.

22. The **general fishing licence** used often by German quota administration is surely the most favourable system of licensing for fishery. The right to conduct unrestricted fishery within a total allowable catch promotes those who work hardest; the abilities of the individual fishers are rewarded. Such a quota system is surely disadvantageous if the individual quota is very low or insufficient. In such cases, there is a danger of overfishing. In principle, such a system may only be used if sufficient quotas are available for all fishers.

23. In contrast to the general fishing licence, the **individual fishing licence** is the most stringent method. It dictates to the individual fisher precisely what species he may fish in which areas. The possibilities available to the fisher are very limited. Since such individual quotas generally also have to be distributed evenly, in such a system, the hardest-working are rewarded the least. Although they might be able to catch more, they can only fish within the set limits. This can especially lead to difficulties if the fishers have different costs in the financing of their enterprises. The individual quota system can also lead to illicit fishing. Although such individual quotas can be, administratively speaking, monitored very easily, this also means considerable administrative work for the allocation agency; each individual quota must be revised and added up.

24. The "**other rules**" which can be set for management can have various effects on fishery enterprises. Thus, for example, the requirement that only 5 000 kg of sole may be caught in one week has advantages as well as disadvantages for fishery enterprises. This would surely represent a considerable impediment to a fisher if, within a certain time frame, he had the possibility of catching more sole. On the other hand, the enterprise can benefit from this if the quota is stretched out over a relatively long period of time. Often, when fishers land good catches, they land more fish than the market can absorb. This often happens in Germany during the summer months. Therefore, in that respect, the landing rule also ends up providing an even and continuous supply to the market, thus preventing surplus supplies.

25. A further management method is the setting of by-catch quotas. Small quotas which are necessary for the fishing of the main fish species are allocated to the fishers as by-catch. Even if these quotas are generally economically subordinate to the target species, they pose great economic significance for the fishers. Without a by-catch quota, fisheries for the target species would often have to be

prematurely ended. At the same time, the setting of by-catch quotas allows the administration to assure that the species regulated through a by-catch quota is not overfished. Therefore, in this regard, the fixing of by-catch quotas is also a form of management.

26. Part 2 is provided by the European Commission

Operating results in 2001

27. Data for all four German deep-sea fisheries undertakings with their twelve freezer trawlers operating in 2001 (nine universal freezer trawlers and three special freezer trawlers for pelagic fishing activities) were captured in a cost-earnings study. On the basis of actual costs and proceeds, a total net profit of EUR 7.9 million could be determined (after a loss of EUR 3.2 million with 13 vessels in the previous year). The improvement in operating results by EUR 11.1 million can primarily be attributed to a 10% higher catch level and the more favorable price situation for pelagic products. All in all, the proceeds increased by EUR 13.6 million or 13%. On the costs side, depreciation expense increased because of substantial investment activities and personnel costs went up due to the higher catch level whereas particularly administrative expense, repair expenditure, fishing gear costs and other operating expenses could be reduced. All in all, the costs decreased by EUR 2.5 million or 3%. In relation to the volume of salable products, a surplus of approximately EUR 62/t could be obtained in 2001 after a loss of about EUR 28/t in the previous year.

28. The economic situation of the deep-sea fleet recovered substantially owing to the profits made in 2001. It should, however, still be noted that the overall operating results of the universal freezer trawlers are not yet satisfactory.

Cutter deep-sea and coastal fisheries

Catches and landed values

29. The total domestic and foreign landings amounted to 82 000 t in 2001, approximately 20% below prior-year levels. The landings of fish for consumption, the catches of consumption shrimps and the exploitation of shellfish dropped by 13%, 28% and 54% respectively. Due to the price situation and the range of products, however, the total revenue only decreased by about 0.5% to approximately EUR 126 million.

30. With about 54 000 t, fresh fish landings rose by 8% compared to the previous year. A total revenue of approximately EUR 68 million could be obtained (after about EUR 65 million in the previous year). The share of foreign consumption goods landings in total landings accounted for more than one third with regard to volumes and about 50% on the revenue side.

31. With total catches of 13 100 t (including 11 600 t of consumption shrimps), shrimp fishing yielded considerably less (approximately minus 30%) than in the previous year. But due to the concurrent considerable increase in prices, the proceeds only dropped by 7% to EUR 37 million (after EUR 39.5 million in the previous year). The production of shellfish, which is heavily dependent on natural factors, dropped by 18 000 t to just under 16 000 t (54% less than in the previous year). But due to a considerable increase in prices, the total revenue (EUR 20.6 million) remained largely unchanged.

32. In the first half of 2002, domestic and foreign fresh fish landings amounted to approximately 40 000 t which represents an increase of about 19% compared to the same period in the previous year. Producer prices changed considerably compared to the previous year: while the prices for Baltic and Atlantic cod increased, prices for saithe, plaice and particularly consumption shrimps dropped.

Accounting results in 2001

33. In order to describe the profit situation of the **cutter deep-sea and coastal fisheries** for the 2001 calendar year, a total of 129 test enterprises (cutters with a length between 10 and 36 meters) were evaluated. Among them were 40 fresh fish cutters and 64 shrimp trawlers (including enterprises catching both shrimps and fresh fish) from the *old Laender*. 25 ships with a length of over ten meters had their home ports in Mecklenburg-Western Pomerania. Results for the smaller, uncovered boats also operating in Mecklenburg-Western Pomerania were not available. The results of the cutter deep-sea and coastal fisheries continue to have limited participation because of the small number of cutters belonging to the test enterprises.

34. The accounting results of the evaluated cutters show an improved profit situation in the 2001 calendar year. Following the setback in the previous year (-24%), profits per enterprise rose by approximately 7% to about EUR 57 400. This can primarily be attributed to a generally more favorable movement of prices and volume on the fishery products market in 2001 and also to higher receipts from government promotion schemes. The increase in income varied, however, depending on the region and fishing operation (shrimps or fresh fish). The fresh fish trawlers in the North and Baltic Sea could increase their average income by 4.4%, the shrimp enterprises by 6.6%.

35. Among **the fresh fish trawlers in the old Laender**, particularly the larger cutters specializing on saithe were able to benefit from higher market prices and larger landings in this segment. The economic return of the other vessels increased only slightly. The average sales proceeds of all enterprises increased by approximately 9% thus resulting in an increase of profits by 5% to about EUR 49 300 per enterprise.

36. Following the sharp drop in the previous year, the profits of the **fresh fish trawlers operating in Mecklenburg-Western Pomerania** rose again by a good 7% to about EUR 30 900 in the 2001 calendar year. This was primarily due to stable market conditions and the reduction of operating costs. The profits of the fresh fish trawlers operating in Mecklenburg-Western Pomerania continue to be lower than those of the fresh fish trawlers in the *old Laender*. This is mainly the result of a higher share of smaller ships with a lower profit level, a less favorable product composition and an obsolete cutter fleet.

37. The **shrimp trawlers** (including mixed fisheries) also experienced a rise in profits. The profits per enterprise increased by about 6.6% to over EUR 71 000. Although the significant decrease in shrimp landings led to higher prices, the drop in volumes could not be compensated for. Profits could ultimately be raised by way of cutting operating costs thus making up for the drop in sales revenue.

38. Apart from the personal skills of the business operator, the individual operating results primarily depend on such factors as fishing operation, fishing zone and length of ship. About 3% of the cutters operated at a loss and 11% made a profit of less than EUR 15 000 while, on the other hand, approximately 42% made a profit of EUR 60 000 and more.