

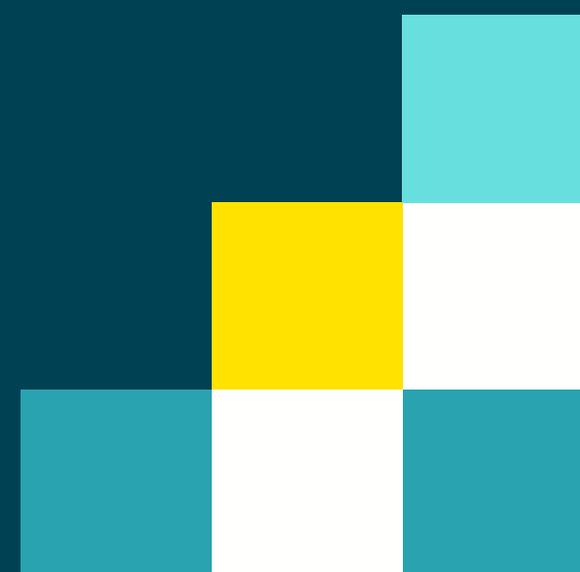


Wales Centre for Public Policy
Canolfan Polisi Cyhoeddus Cymru

Implications of Brexit for Fishing Opportunities in Wales

Land and Sea event, *Aberystwyth University*

Griffin Carpenter
13/02/2018



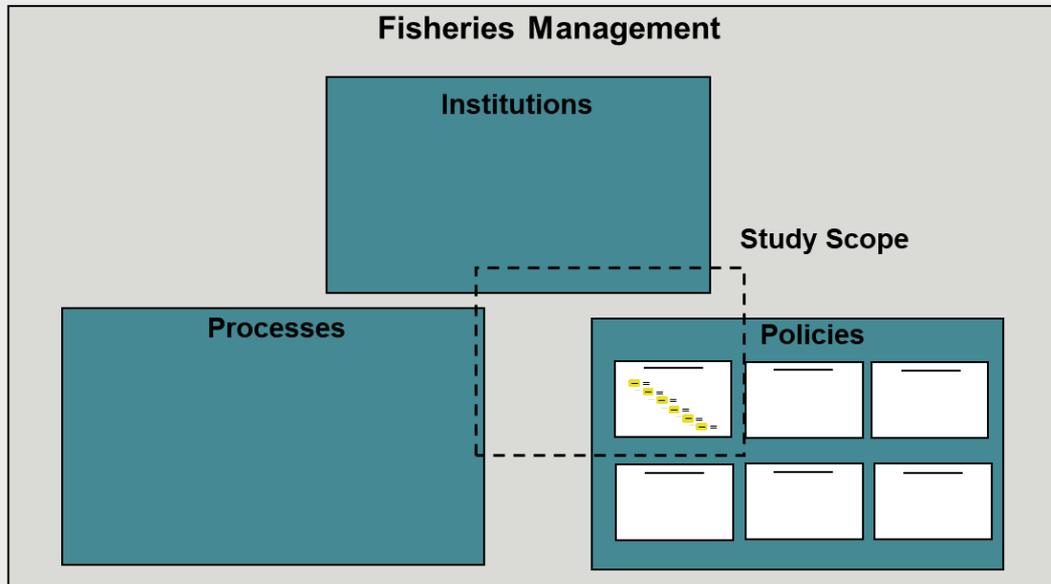
Context of the research

- Welsh fishing industry is relatively small economically & politically
- Brexit provides an opportunity for reform and focuses attention
- Research paper is a partnership between the New Economics Foundation & ABPmer
- Focuses on the catching sector
- Focuses on fishing opportunities

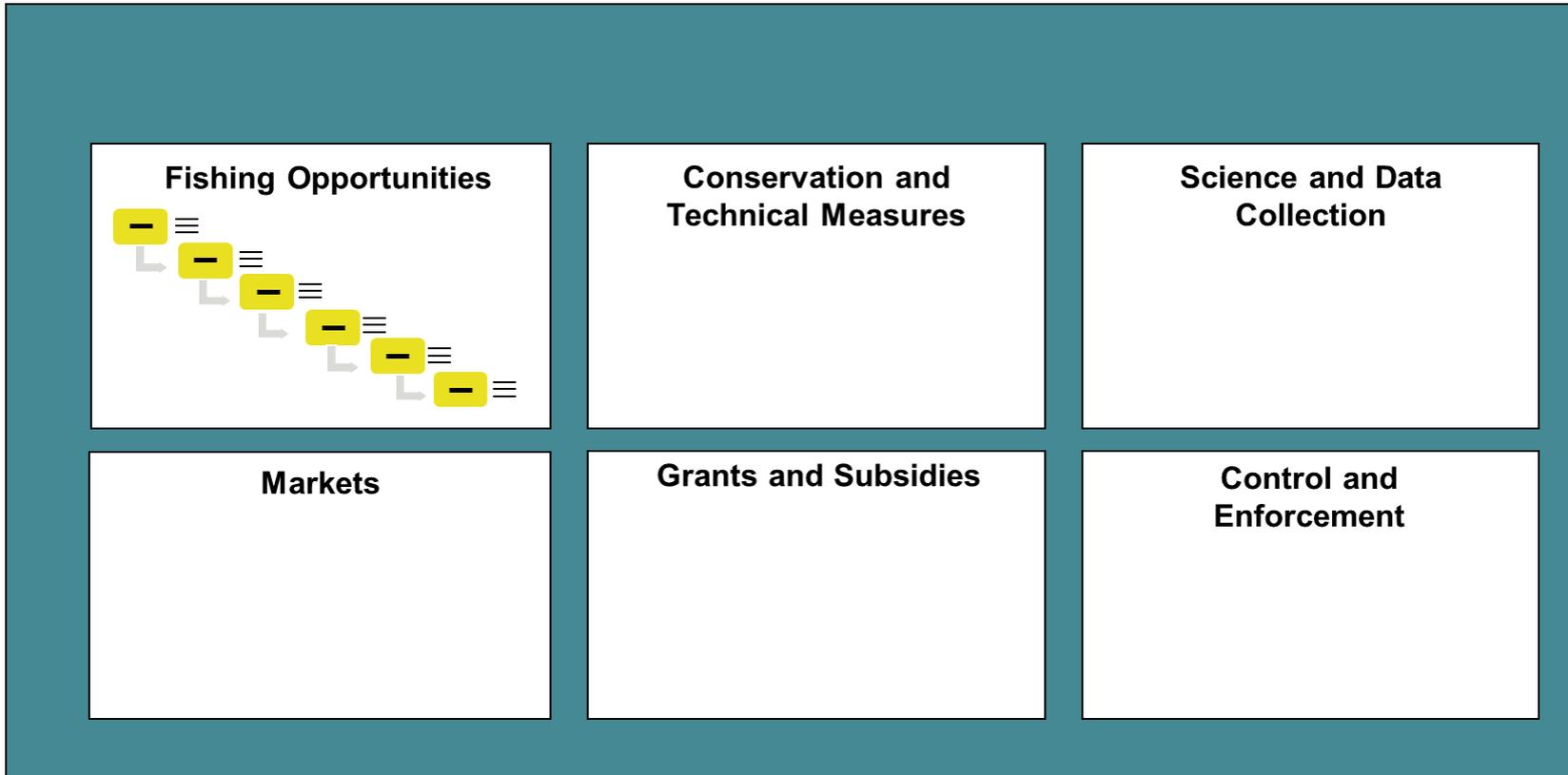


Scope of the research

Public Policy and Governance in Wales



Areas of fisheries policy

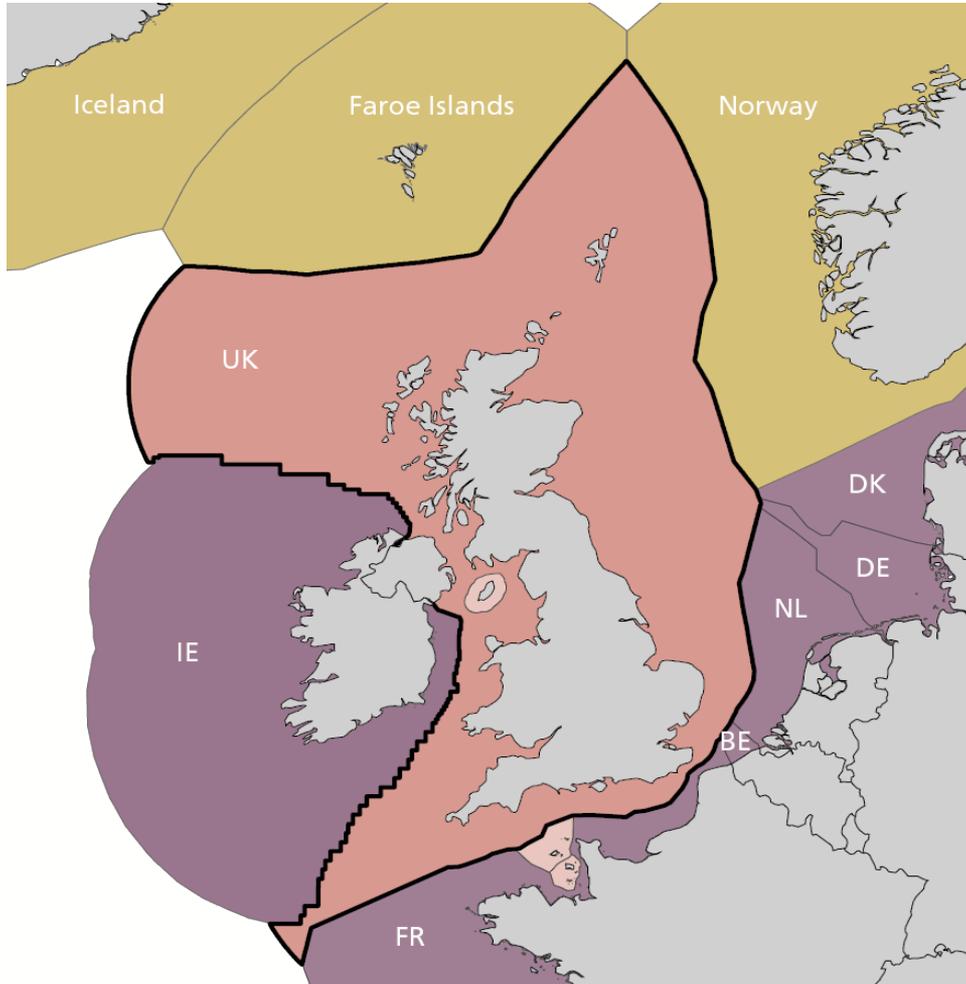


What's the impact of Brexit on Welsh fisheries?

Brexit scenarios and Welsh fleet economic performance



Exclusive Economic Zones (EEZs)



 @WCfPP

Key Brexit impacts

Potential Brexit consequence	Factors that directly affect the Welsh fishing industry	Factors that indirectly affect the Welsh fishing industry
Ending the four freedoms	<ul style="list-style-type: none"> • Imposition of tariffs* • Imposition of 'non-tariff barriers'* • Reductions in EU labour • Restrictions to the establishment of EU businesses 	<ul style="list-style-type: none"> • Depreciation of sterling • Changes to consumer spending on fish products • Changes to investment by fishing companies and businesses
Changes to the UK Exclusive Economic Zone	<ul style="list-style-type: none"> • Extent of and access to UK waters* • Quota shares* 	<ul style="list-style-type: none"> • Overfishing*
Regulatory change	<ul style="list-style-type: none"> • New or amended UK fishing policies and regulations 	<ul style="list-style-type: none"> • Ecosystem impacts

 @WCfPP

Brexit scenarios analysed

Scenario	Access	Quota	Tariffs	Quota-setting
Status quo (No Brexit)	Status quo	Status quo	Status quo	Status quo
Hard Brexit	None	Zonal attachment	WTO	Unilateral
Soft Brexit	Partial	Renegotiation	EEA	Negotiated as third country
Fisheries First Brexit	None	Zonal attachment	Status quo	Negotiated as third country
Fisheries Last Brexit	Status quo	Status quo	WTO	Negotiated as third country
No Deal Brexit	Partial	Zonal attachment	WTO + delay	Unilateral

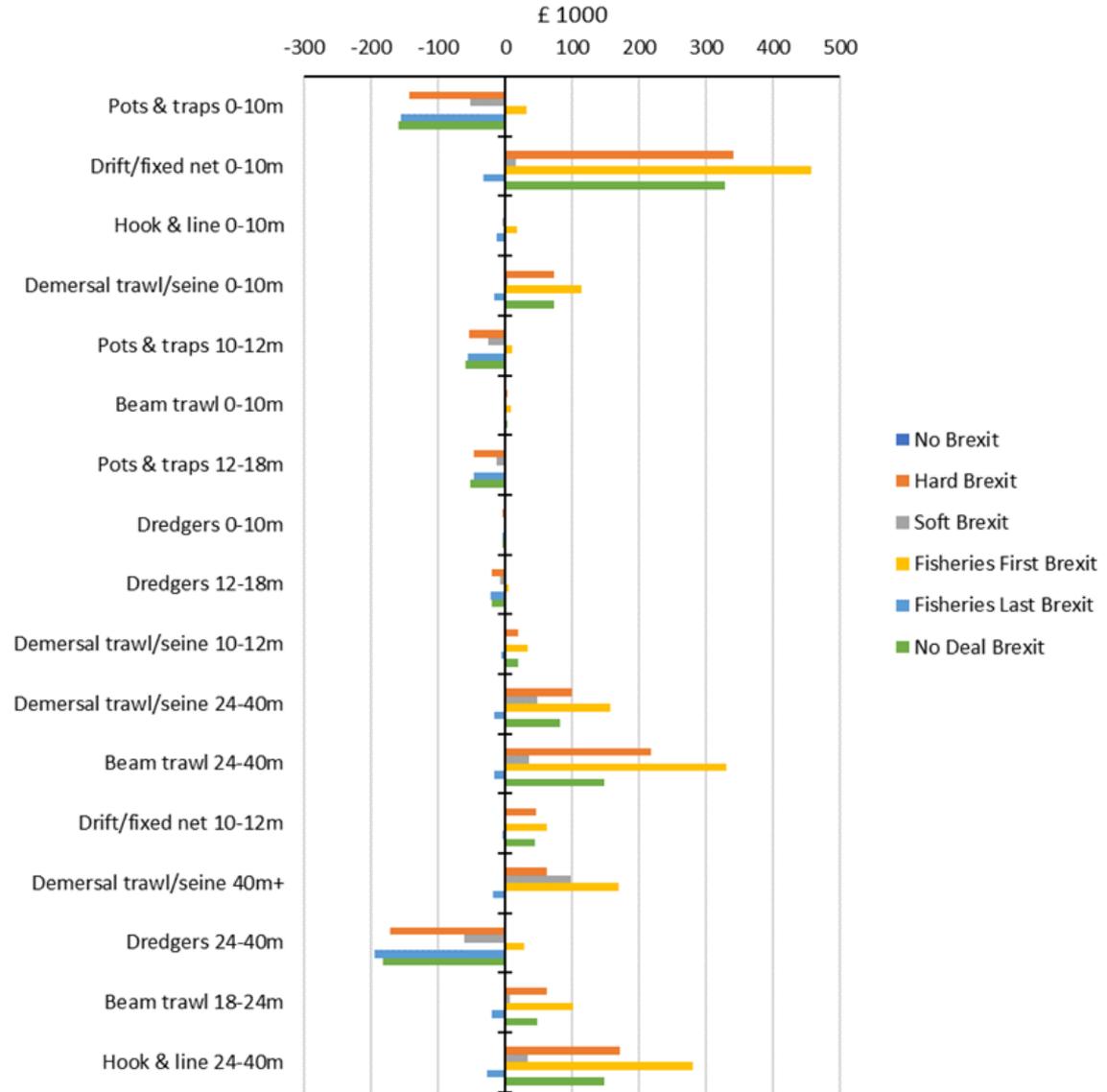
 @WCfPP

The unique Welsh fishing fleet

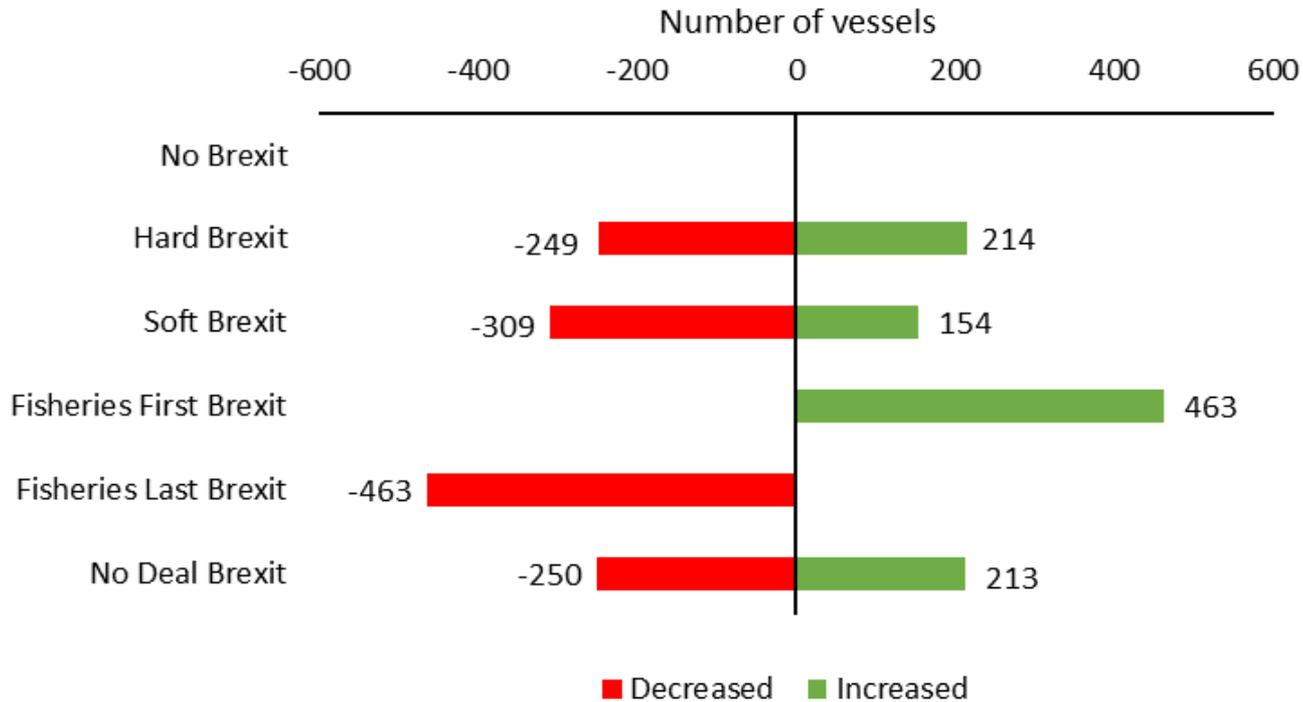
- Most vessels are small-scale
- Most landings are non-quota
- Most landings are exported
- Most quota is landed internationally

All significant for the balance of Brexit risks and opportunities

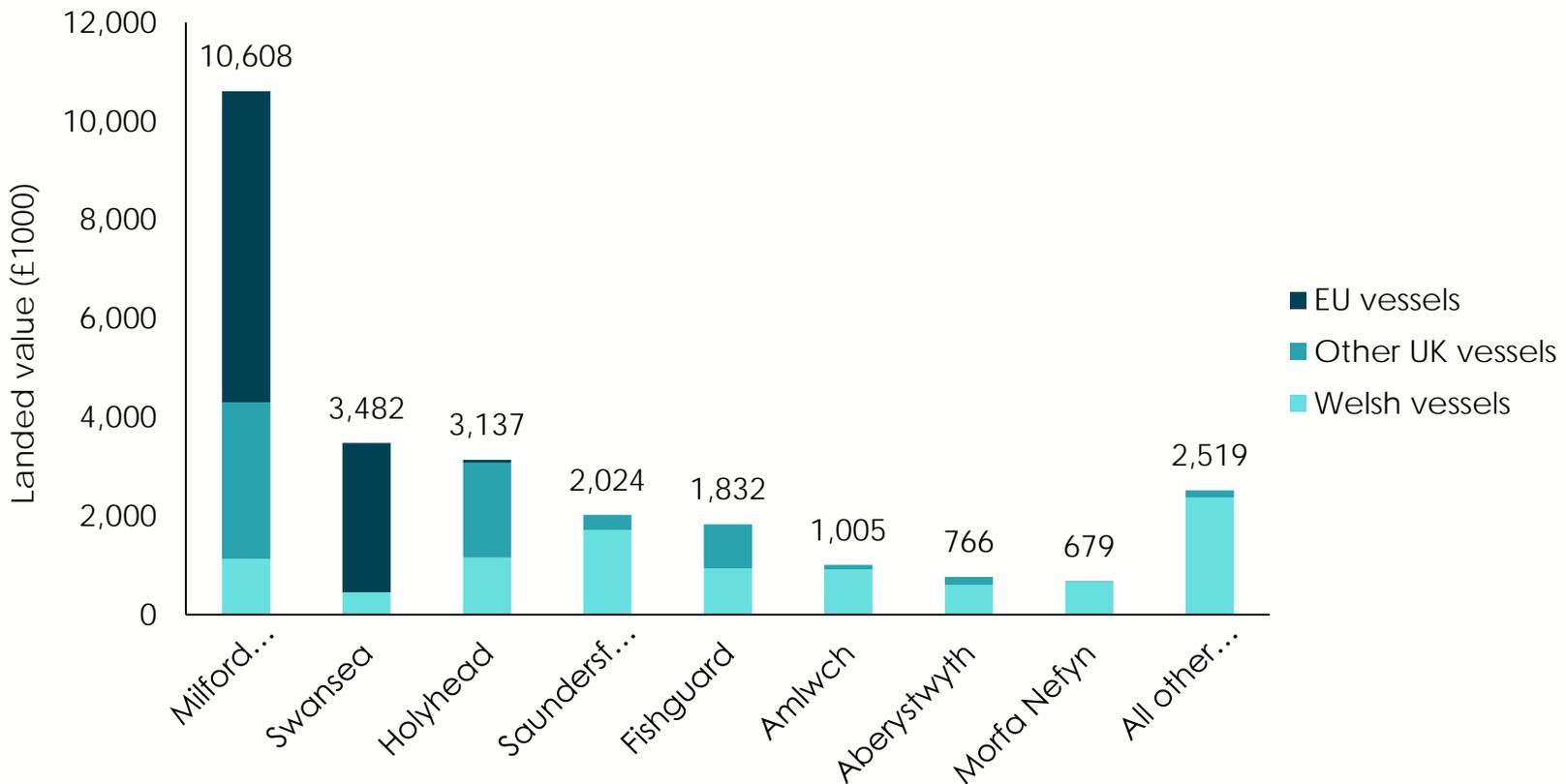
Impacts



Vessels with changes to net profits



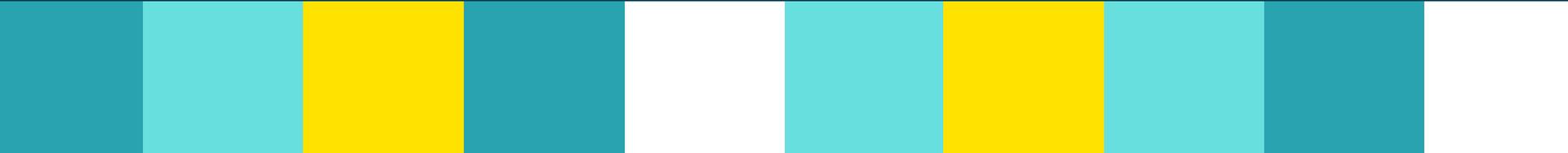
Welsh ports, not necessarily Welsh landings



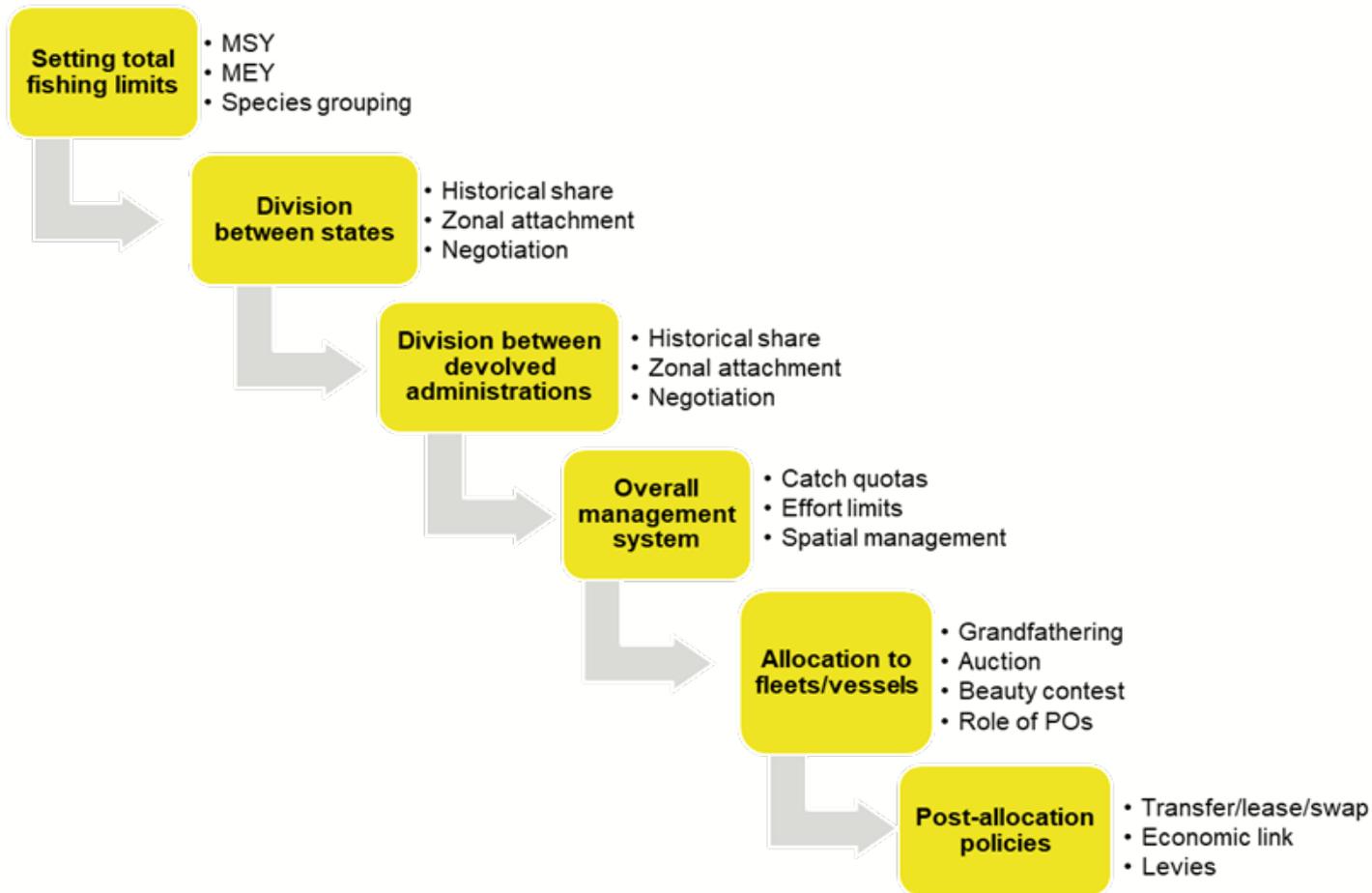
 @WCfPP

How should Wales reform its management of fishing opportunities post-Brexit?

Policy options for fishing opportunities



Fishing opportunities



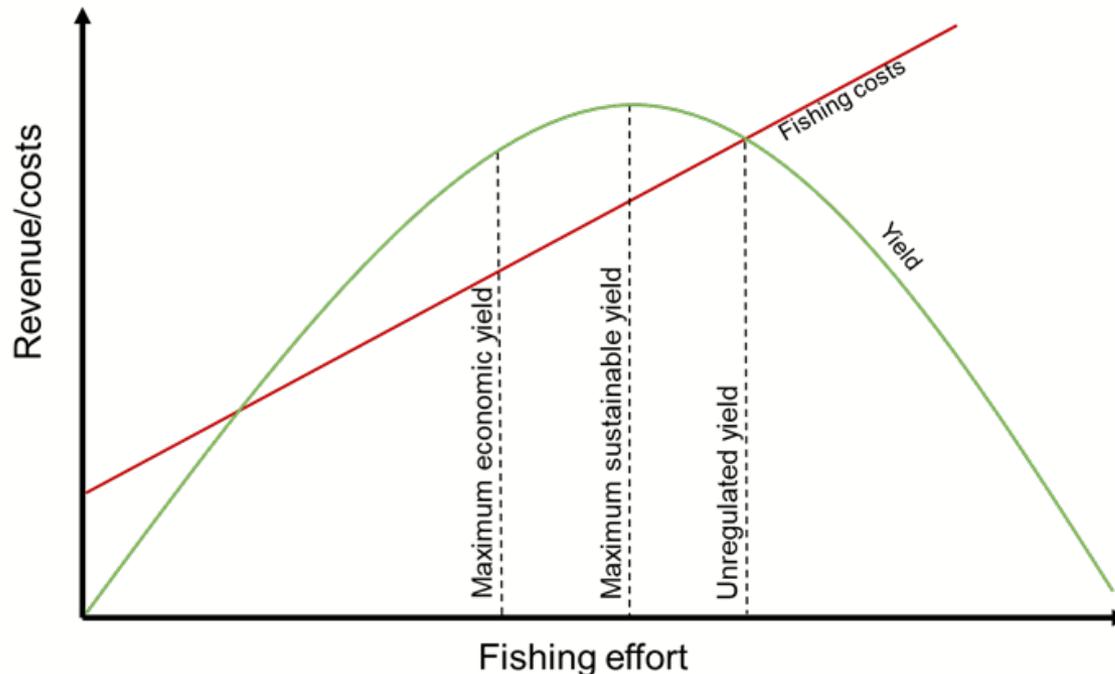
 @WCfPP

Setting total fishing limits

Setting total fishing limits

- MSY
- MEY
- Species grouping

- Could deviate from maximum sustainable yield framework
- Most alternatives have lower fishing limits
- Several stocks in Welsh waters are not at MSY yet



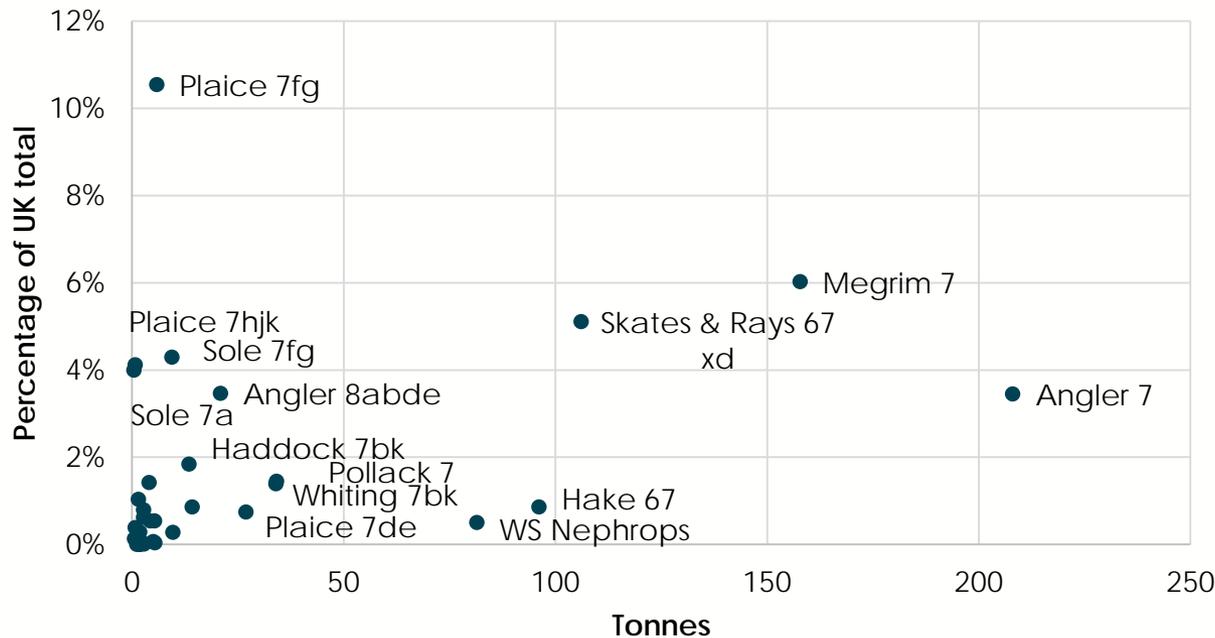
 @WCfPP

Division between countries

Division between countries

- Historical share
- Zonal attachment
- Negotiation

- UK wants zonal attachment, EU wants historical share
- Zonal attachment would increase Welsh quota (+170%)
- Clear priority stocks for any negotiation



 @WCfPP

Welsh quota landings

**Division
between
countries**

- Historical share
- Zonal attachment
- Negotiation

Exclusive economic zone	Tonnes	Landed weight of quota by EEZ	Value (£)	Landed value of quota by EEZ
France	0.72	0%	2,700	0%
Ireland	481.86	70%	1,594,547	74%
Total EU	482.58	71%	1,597,247	75%
England	111.15	16%	347,635	16%
Guernsey	3.33	0%	12,849	1%
Isle of Man	0.06	0%	448	0%
Northern Ireland	0.02	0%	59	0%
Scotland	3.00	0%	25,885	1%
Wales	66.75	10%	137,569	6%
Total UK	184.31	27%	524,444	24%
International waters	16.69	2%	19,168	1%
Total all areas	683.59	100%	2,140,859	100%

 @WCfPP

Division between DAs

Division between devolved administrations

- Historical share
- Zonal attachment
- Negotiation

- Wales largely excluded from UK quota through FQAs (<1%)
- Larger gains from Welsh waters (herring, Nephrops, whitefish)
- Could apply to UK vessels in Welsh waters (Nephrops)
- Explore how gains could be used directly and indirectly

Devolved administrations	Welsh vessels, other UK EEZ	Welsh EEZ, other UK vessels	Difference
Scotland	3.00	57.40	54.40
England	111.15	165.24	54.09
Guernsey	3.33	0.00	-3.33
Jersey	0.00	0.00	0.00
Northern Ireland	0.02	1,652.62	1,652.60
Isle of Man	0.06	0.00	-0.06
Total	117.56	1,875.27	1,757.70
Current quota landings			683.59
Percentage change			257%

 @WCfPP

Overall management system

Overall
management
system

- Catch quotas
- Effort limits
- Spatial management

- Catch limits (quota) is the dominant management regime, though not for Welsh fisheries
 - Extending to new species is controversial (sea bass)
- Some support for an effort trial for quota species
 - Real time incentives the most promising development
 - Opportunity cost
 - Clear performance metrics
- Opportunity to enhance spatial management
 - Conditional access
 - Empower stakeholder groups

 @WCfPP

Allocation to fleets/vessels

Allocation to fleets/vessels

- Grandfathering
- Auction
- Beauty contest
- Role of POs

- Current allocation also based on historical share
- Opportunity to change allocation (Welsh competency)
- Criteria-based allocation ('beauty contest'), quota reserve, more fitting to WFGA than quota auction
- Producer organisations likely to continue; need for integration of small-scale vessels

 @WCfPP

Post-allocation policies

Post-allocation policies

- Transfer/lease/swap
- Economic link
- Levies

- Flexibility a key trait to help with discard policy and climate change
 - Quota markets used elsewhere but opposed in Wales
 - Opportunity for non-financial transferability: p2p swaps
- Securing benefits for Welsh ports and wider society
 - Reforming economic link
 - Landings tax
- Welsh Government could implement these policies immediately (but benefits from a wider base)

 @WCfPP

Conclusions

- Wales has a unique fleet and division of risk/opportunity
- Not heard from in Brexit discussions and media coverage
- UK-Wales division as significant as EU-UK division
- Exciting policy development potential to integrate fisheries into wider marine and societal vision
- Clear research needs
 - Zonal attachment (biology, prices, uptake)
 - Preparedness for substantial quota gains
 - Identify quota species of greatest priority
 - Whole supply chain assessment



**Wales Centre
for Public Policy**
**Canolfan Polisi
Cyhoeddus Cymru**

www.wcpp.org.uk

Cardiff University, 10/12 Museum Place. Cardiff, CF103BG
Prifysgol Caerdydd, 10/12 Plas yr Amgueddfa, Caerdydd, CF103BG