



FISKIMÁLARÁÐIÐ
MINISTRY OF FISHERIES

Recent reforms in the management of Faroese fisheries

Jens Helgi Toftum
Ministry of Fisheries, Faroe Islands

Biannual EUfishmeal Conference, Torshavn
29 August 2019



Background

- January 2008 – the Faroese Parliament (the Løgting) terminated all existing fishing licenses effective January 1, 2018.
- New government in autumn 2015
- January 2016 – a ministerial commission appointed to make proposals for reforms in the fishery governance based on the political objectives and principles
- October 2016 – the Commission report handed to the Minister
- 13 December 2017, the Act on the Management of Marine Resources passed the Løgting
- 18 December 2017 – the Act enters into force with effect from 1 January 2018
- Parts of the Act take effect on 1 January 2020



Governmental objectives and goals

- All fisheries must be biologically, economically and socially sustainable;
- All living marine resources shall remain the property of the people of the Faroe nation and cannot become the property of private companies or individuals
- Fishing rights shall be in Faroese hands;
- Ensuring that the resource rent is to the benefit of all parts of the society
- Only Faroese-owned companies registered in the Faroes, paying taxes in the Faroes may seek to participate in Faroese fisheries;
- We must move away from private sales of licenses and fishing rights;



Governmental objectives and goals

- We must move away from political allocation of fishing rights and towards a market-based system;
- On-shore processing plants shall have access to bids for all fish catches;
- Catches and all related products should be landed in the Faroes and, to the greatest extent possible, processed here for added value;
- A special regime may be established for coastal fisheries.



Allocation of fishing rights

- 'Grandfathering'
- Public auctions
- Development quotas (regional quotas)



Foreign ownership

- **There is a six-year period over which all foreign ownership interests must be phased out**
- **For an individual, or the owner of a commercial firm, to receive a permit for access to Faroese fisheries now requires:**
 - That the individual has been domiciled in the Faroes for at least two years at the time of application for such permits
 - The company or individual must be registered and pay taxes in the Faroe Islands



Permits held by individuals

- All access permits will be awarded to—and held by—firms rather than by individual vessels



Obligation to use fishing permits

- **Unused permits will revert to the government.**
- **Individual quotas and fishing days that have been utilized less than 60 % in a fishing year will in part revert to the Government**
 - E.g. If 50 % has been utilized in a year, 10 % of the fishing rights the following year will be revoked
- **Any permits that go entirely unused in 2 consecutive years will revert to the Government (small scale fisheries not included)**



Transferability

- **Transferability of fishing opportunities (secondary market)**
 - Licences, quotas, fishing days may not be transferred in private transactions on a permanent basis, but must be subject to public auctions.
 - a maximum of 20 percent of existing individually held quota may be transferred (change hands) in a single fishing year



Upper limits for 'ownership'

- **No individual or company may obtain more than 35 percent of available quota in the following sectors:**
 - Pelagic fisheries;
 - Demersal fisheries outside of the Faroese fishery zone; and
 - Demersal fisheries inside of the Faroese fishery zone.
- **In addition, no individual or company may hold more than 20 percent of total Faroese quotas**
- **Effective from 1 January 2020**



Landings

- **There is a complete ban on discards.**
- **All catches must be landed in the Faroe Islands (some exceptions)**
- **As a goal, all fish parts must be landed – will be implemented stepwise**
- **As a goal, 25 percent of the catch are to be sold on public auctions (Exception: fish caught under licenses bought at public auctions)**



Demersal fisheries in Faroese waters

- **Demersal fisheries in Faroese waters (effect from 1 January 2020):**
 - TAC-share permits for offshore demersal trawlers and longliners in excess of 110 gross tonnes,
 - A limited number of fishing-day permits for the near-shore demersal fishery.
 - Long-term management plans will be developed for these fisheries



Allocation of fishing rights

■ 'Grandfathering'

- The bulk of the fishing rights is allocated as in previous years to existing fishers
- These quotas are valid for a 8 year period - to 1 January 2027.
- Resource fee (mackerel, herring, blue whiting)

■ Public auctions

- Part of the quotas are to be sold on auction - obligation to sell
- An additional part of the quotas/fishing days can be sold on auction if different conditions are met – possibility to sell



Public auction in 2018

	Blue whiting	Mackerel	Herring	Barents Sea
Faroese TAC	351.669	72.771	67.740	27.721
Levels	350.000	90.000	65.000	27.000
Percent	25 percent	15 percent	15 percent	15 percent
1 year quota	1.669	0	2.740	721
‘Sell quota’	87.500	10.916	9.750	4.050
Total on auctions	89.169	10.916	12.490	4.771
8 years permits	14.000	1.760	1.560	745
3 years permits	7.000	873	780	227
1 year permits	68.169	8.283	10.150	3.797



Public au

	Blue whiting
Faroese TAC	351.669
Levels	350.000
Percent	25 percent
1 year quota	1.669
‘Sell quota’	87.500
Total on auctions	89.169
8 years permits	14.000
3 years permits	7.000
1 year permits	68.169



Allocation of fishing rights

- **Development quotas (regional quotas)**
 - Up to 8,5 % of the quotas available for Faroese vessels on a yearly basis
 - Aimed at projects that promote adding value to marine resources, particularly in areas that currently have limited access to marine resources and where unemployment rates tend to be higher than average
 - Allocated following a public call for application



FISKIMÁLARÁÐIÐ
MINISTRY OF FISHERIES

THANK YOU
