

TOUGH IN THE MAKING: FISHERIES REFORM ADOPTED

Centrally regulated trading of fishing rights, public auctioning off of parts of the quotas, the introduction of ‘development quotas’ and the phasing out of all foreign owned fishing rights—here’s the new fisheries legislation.

ARGUABLY one of the most debated political topics in the history of the Faroe Islands, the Act on the Management of Marine Resources, which came into effect as of 18 December 2017, has been one of the current coalition government’s main objectives since taking office.

“Exactly ten years ago the Faroese Parliament decided to terminate all fishing licenses as of 1. January 2018, instigating the need to introduce a new system by 2018,” Høgni Hoydal, Minister of Fisheries, noted.

“This reform is a historic milestone and it marks a new era in the sustainable management of Faroese fisheries,” he added.

Since the 1990s, the Faroese fishing industry has seen a high degree of consolidation including transfer of quotas attached to vessels, with many millions of DKK spent annually on trading vessels for transferring fishing rights between vessel owners. This practice is now be-

ing effectively stopped through centrally regulated trading of rights.

According to one of the elements of the former legislation that has indeed been included in the reform, all living marine resources are the ‘property of the Faroese people’ and, based on this principle, fishing licenses may never become private property. Furthermore, per the new legislation, fishing rights cannot be traded directly between private buyers; to change hands, such rights must first go through a public auction.

The reform further states that all fisheries under Faroese jurisdiction must be biologically, economically and socially sustainable. Moreover, a long-term strategy for the management and utilization of marine resources is to be designed and implemented for each stock to maintain the industry and the fish stocks at sustainable levels.

A new item in the legislation is the implementation of public auctioning of catch quota. This, in practice, entails that 15 percent of the quotas for mackerel and herring, and 25pc. of the quota for blue whiting, are to be auctioned, as well as 15pc. of the quota for demersal fish in non-Faroese waters. Additionally, quotas for these species exceeding certain limits, will be auctioned off entirely.

FULL UTILIZATION

For demersal fisheries in Faroese waters, quotas will be actioned off when the overall catch by Faroese vessels exceeds 20,000 tonnes for cod, 12,000 tonnes for haddock and 40,000 tonnes for saithe. All present actors in the industry will have access to the remaining quota, but will be required to pay a special ‘resource fee’.

Another element of the reform consists of a new antitrust regulation,

with limits for collective Faroese fishing licenses set at 20pc. and for the three main fisheries specifically—pelagic, local demersal, foreign demersal—the antitrust limit is set at 35pc. for each respective fishery.

To improve access to the fishing industry the new Act operates with company-owned rights. Anyone can obtain a fishing right from the Government if the vessel is approved for fishing in Faroese waters.

To improve access to the fishing industry the new Act operates with a limited number of vessel-owned rights, as in the old legislation. This implies that

anyone who gets a vessel approved for fishing in Faroese waters can obtain a fishing right from the Government.

In addition, up to 8.5pc. of the total quotas for all types of fish can be allocated as ‘development quotas’ that will be part of development plans for the industry. These quotas are distributed after a public call for applications, prior to which specific requirements for eligibility and priority will be given to projects and campaigns that support development, value-adding and job opportunities.

Whereas earlier, foreign investors could participate in Faroese fisheries, such opportunities are now being phased out over a

six-year period. Under the new Act, fishing rights may only be granted to fully Faroese-owned operators, however special rules apply for Icelandic ownership, which will be phased out over a period of seven years. Restrictions on foreign ownership, however, do not apply to onshore processing.

In an effort to add more value and to ensure full utilization of catch, all fish caught is required to be landed in the Faroe Islands; vessels will eventually be required to land all parts of the fish, including head, back, liver, guts and other bi-products. Finally, at least 25pc. of fish caught will be sold at approved auctions, with the exception of fish caught under licenses bought at public auctions.



Pair trawler hauling a catch of saithe up the stern.



Minister of Fisheries Høgni Hoydal.

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The Minister of Fisheries is responsible for fisheries and maritime affairs, including marine resource management, marine research, fisheries inspection, marine safety and rescue.

The Minister is also responsible for agriculture and emergency services.

Policies and regulations are coordinated and implemented by the Ministry of Fisheries and its associated agencies.

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• Vørn — Faroe Islands Fisheries Inspection (Fiskiveiðieftirlitið)
• Maritime Rescue and Coordination Center (MRCC)
• Faroese Emergency Management and Inspection Agency (Tilbúgvingarstovnur)
• Agriculture Agency (Búnaðarstovan)
• Equal Pay Office (Trygdargrunnur Fiskivinnunnar)