5 July 2024

Evaluation of the Common Fisheries Policy

Contribution to the European Commission's Call for Evidence

1. Interest of SEA Europe concerning this Call for Evidence

The Shipyards & Maritime Equipment Association of Europe (SEA Europe) represents the European maritime technology industry in 16 countries, encompassing the production, maintenance, repair, retrofit and conversion of all types of ships and floating structures – commercial as well as military – including the full supply chain with the various producers of maritime systems, equipment material, and services.

As an organisation representing potential suppliers of vessels and technological solutions for the fishing sector, SEA Europe is keenly interested in contributing to this Call for Evidence on the evaluation of the Common Fisheries Policy (CFP).

2. The existing restrictions on fishing capacity hinder investment in the renewal and modernisation of the fishing fleet

The CFP imposes **limitations on the fishing capacity of fishing vessels with the aim to avoid overcapacity and thus prevent overfishing**. Fishing capacity is defined as "*a vessel's tonnage in GT (Gross Tonnage) and its power in kW (Kilowatt)*"[1].

There are 2 regulatory limitations:

1) Fishing capacity ceilings, i.e. a cap on GT and kW applicable to the fleet of each Member State[2].
2) Entry/exit scheme, i.e. Member States must manage the capacity of their fleets in a way that for every new vessel added to the fleet there must be equivalent capacity leaving it[3].

Moreover, the CFP encourages Member States to scrap vessels in fleet segments with structural overcapacity[4]. The capacity scrapped with public aid (i.e. with support from the European Maritime, Fisheries and Aquaculture Fund) cannot be replaced and is thus permanently lost[5].

SEA Europe considers these limitations to be structural barriers hindering investments in the renewal and modernisation of fishing vessels:

- Limitations on GT impede the switch to alternative propulsion/fuels (as their lower density compared to fossil fuels requires more volume onboard, hence more GT) as well as hamper the improvement of safety and crew accommodation (as the installation of new facilities requires more volume).
- Limitations on kW jeopardise the stability of the vessels, in particular those that operate trawled fishing gear.

In 2010, over 93% of European fishing vessels were built by European shipyards. Since 2014, this percentage has been steadily declining in both number and tonnage. In 2017, European shipyards only

[1] Article 4, paragraph 1, point 24 of Regulation 1380/2013 (CFP Regulation).
[2] Annex II of Regulation 1380/2013.
[3] Article 23 of Regulation 1380/2013.
[4] Article 22 of Regulation 1380/2013.
[5] Article 22, paragraph 6 of Regulation 1380/2013.

constructed 78% of European fishing vessels. In terms of tonnage, the situation is even more concerning, with less than half of the orders being placed with European shipyards.

In this context, **the CFP restrictions on fishing capacity significantly hinder the business case for sustainable and innovative fishing vessels, depriving European shipyards and maritime equipment suppliers of valuable business opportunities**. Unlocking this potential market would greatly enhance the overall competitiveness of the European maritime industry.

3. Recommendations

SEA Europe calls upon the European Commission to carefully examine the issues mentioned above in its evaluation of the CFP, particularly regarding how the **definition of fishing capacity** and the **entry/exit scheme** affect the renewal and modernisation of the fishing fleet.

SEA Europe stands ready to contribute to the upcoming discussions on this topic by providing insights from shipbuilders and maritime equipment suppliers. This will help in **designing alternative regulations that ensure safeguards against overcapacity and overfishing, while also allowing for improvements in the fishing fleet's energy efficiency and safety**.