

Fishing capacity of the Finnish fleet in 2019

Foreword

This report uses data from 2019 and 2020 to assess the annual capacity of the national fleet and fleet segments, identify any possible structural overcapacity in the fleet and determine the fleet's long-term profitability. The report has been drawn up in accordance with Commission Guidelines COM(2014) 545, 2.9.2014.

1. The Finnish fishing fleet and fisheries

Table 1.1 shows the development of the fishing fleet from its establishment on 1 January 1995 to 31 December 2019. Finland's fishing capacity has decreased in terms of all size indicators of the fleet: number of vessels (units) -21.7%, tonnage (GT) -36.5% and propulsion power (kW) -24.2%.

Since 1 January 2014 the reduction for vessel tonnage (GT) has been -5.4% and for propulsion power (kW) -1.2%. while the number of vessels (units) has increased by 0.1%. However it should be noted that the size of the Finnish fleet is well below the maximum capacity laid down in Article 22(7) of Basic Regulation (EC) No 1380/2013 (Annex II).

| Tilanne 1.1.1995 - lähtötaso | | | | | | | | | | | | | | |
|------------------------------|------------|-------|---|---------|------------|-------------------------------|------|---------|-----------|---------|------------|---------|------|---------|
| GT | kW | No | | | | | | | | | | | | |
| 24 618,13 | 224 875,54 | 4 107 | | | | | | | | | | | | |
| Tilanne 1.1.1997 | | | Muutos aikaisempaan tilanteeseen verrattuna | | | | | | | | | | | |
| GT | kW | No | GT | kW | No | | | | | | | | | |
| 23 478,75 | 218 244,42 | 4 019 | -1 139,38 | -4,6 % | -6 631,12 | -2,9 % | -88 | -2,1 % | | | | | | |
| Tilanne 1.1.2003 | | | Muutos aikaisempaan tilanteeseen verrattuna | | | Muutos lähtötasoon verrattuna | | | | | | | | |
| GT | kW | No | GT | kW | No | GT | kW | No | | | | | | |
| 19 859,19 | 190 070,16 | 3 571 | -3 619,34 | -15,4 % | -28 174,26 | -12,9 % | -448 | -11,1 % | -4 758,94 | -19,3 % | -34 805,38 | -15,5 % | -536 | -13,1 % |
| Tilanne 31.12.2013 | | | Muutos aikaisempaan tilanteeseen verrattuna | | | Muutos lähtötasoon verrattuna | | | | | | | | |
| GT | kW | No | GT | kW | No | GT | kW | No | | | | | | |
| 16 523,65 | 172 648,54 | 3 244 | -3 235,54 | -16,8 % | -17 454,62 | -9,2 % | -360 | -10,1 % | -8 094,49 | -32,9 % | -52 257,00 | -23,2 % | -896 | -21,8 % |
| Tilanne 31.12.2019 | | | Muutos aikaisempaan tilanteeseen verrattuna | | | Muutos lähtötasoon verrattuna | | | | | | | | |
| GT | kW | No | GT | kW | No | GT | kW | No | | | | | | |
| 15 624,75 | 170 564,59 | 3 214 | -898,90 | -5,4 % | -2 053,95 | -1,2 % | 3 | 0,1 % | -8 993,38 | -36,5 % | -54 310,95 | -24,2 % | -893 | -21,7 % |

Table 1.1. Development of the Finnish fishing fleet since EU accession, period from 1 January 1995 to 31 December 2019 (as calculated most recently on 19 May 2020).

Key:

Tilanne = Situation

Lähtötaso= Initial level

Muutos aikaisempaan tilanteeseen verrattuna = Change compared to the previous situation

Muutos lähtötasoon verrattuna = Change compared to the initial level

Under Article 22(7) (Annex II) of Regulation (EU) No 1380/2013, Finland's fishing capacity ceiling may not exceed 18,066 GT and 181,717 kW after 1 January 2014. These are imputed ceilings that take into account the supported decommissioning of fishing vessels. The capacity of Finland's fleet remained well below this ceiling between 1 January 2014 and 31 December 2019.

| | Reg. 1380/2013 Article 22 | | Situation at 31/12/2019 | | Difference with the fishing capacity ceiling | | | |
|--------------|------------------------------|---------|----------------------------|---------|---|----------|--------|-----|
| | GT | kW | GT | kW | GT | % | kW | % |
| Total | 18,066. | 181,717 | 15,625 | 170,565 | - 2,441 | - 14% | 11,152 | -6% |

Table 1.2 Fishing capacity of the Finnish fishing fleet on 31 December 2019 compared to the ceiling defined in Regulation (EU) 1380/2013 (as calculated most recently on 19 May 2020).

According to the most recent report, the Finnish fishing fleet on 31 December 2019 was -2,441 GT (-14%) and -11,152 kW (-6%) less than the ceiling on fishing capacity permitted under the Regulation.

Table 1.3 below summarises the development since 1 January 2003 in both categories.

A new fleet management system was introduced in Finland in 2011 under the Act on the registration of sea-going vessels engaged in fishing and aquaculture (690/2010). The fleet is divided into offshore vessels and coastal vessels. The aim is also to ease ship registration processes. The Act entered into force on 1 January 2011.

During 2019 the overall capacity of the fleet decreased in terms of tonnage (-229 GT; -1.4%) and propulsion power (-2,054 kW; -1.2%).

The decrease in capacity was significant compared to the corrected initial level of 1 January 2003: 21% (GT) and 10% (kW) for the whole fleet. The reduction was starkest in the coastal vessels category, where the number of vessels fell by 63%, tonnage by 15% and propulsion power by 38%. The main cause for this was the drift net fishing ban that came into force on 1 January 2008. In numerical and percentage terms, the main decrease in vessel tonnage has been in coastal vessels.

| | Situation at 1/1/2003 | | | Situation at 31/12/2019 | | | Change compared to the initial level | | | | | |
|---------------------|-----------------------|---------|-------|-------------------------|---------|-------|--------------------------------------|------|---------|------|------|------|
| | GT | kW | No | GT | kW | No | GT | % | kW | % | No | % |
| 1. Offshore vessels | 9,429 | 41,486 | 119 | 7,986 | 25,758 | 44 | -1,443 | -15% | -15,728 | -38% | -75 | -63% |
| 2. Coastal vessels | 10,430 | 148,584 | 3,452 | 7,639 | 144,806 | 3,170 | -2,791 | -27% | -3,778 | -3% | -282 | -8% |
| Total | 19,859 | 190,070 | 3,571 | 15,625 | 170,565 | 3,214 | -4,234 | -21% | -19,506 | -10% | -357 | -10% |

Table 1.3. Development of the Finnish fishing fleet in the period from 1 January 2003 to 31 December 2019 (as calculated most recently on 19 May 2020), broken down by type of vessel.

A significant number of coastal vessels are used to fish mainly non-quota species: coastal fish stocks, such as whitefish (*Coregonus lavaretus*), pike-perch (*Stizostedion lucioperca*), pike (*Esox lucius*) and perch (*Perca fluviatilis*). Coastal fishing of quota species targets herring (*Clupea harengus membras*) and salmon (*Salmo salar*). Some coastal vessels also fish cod (*Gadus morhua*). Offshore vessels are principally used to fish herring and sprat (*Sprattus sprattus*).

2. Fishing capacity

Table 2.1 presents the quota percentage take-ups for 2019. The rate was the highest in sprat fishing (SPR 3BCD-C), where 94.88% of the quota was utilised. The take-up percentage of herring quotas (HER 3D-R30 and HER 30/31) and salmon quotas (SAL 3BCD-F and 3D32) was also good.

Operator-specific fishing quotas have been used for herring, sprat and salmon since 2017. The fishing quota system allows fishing undertakings, as the holders of the quotas, to decide when and in which areas they will fish their own quotas. This gives them plenty of scope to plan fishing better. In 2019 catches were significantly more evenly spread across the timeframe.

The fishing quota system meant it was not necessary to restrict the utilisation of herring and sprat quotas in 2019.

| Nationality | Species Area | Total quota | Landings Finland | Landings elsewhere | Catch/quota | |
|-------------|--------------|-------------|------------------|--------------------|-------------|-------|
| | | | | | Total | % |
| FIN | HER 3BC+24 | 1.122 | 0.000 | 0.000 | 0.000 | 0.00% |

| | | | | | | |
|-----|------------|------------|------------|------------|------------|--------|
| FIN | HER 30/31 | 82 492.624 | 54 205.688 | 18 863.171 | 73 068.859 | 88.58% |
| FIN | HER 3D-R30 | 42 026.063 | 23 535.251 | 16 256.459 | 39 791.710 | 94.68% |
| FIN | COD 3DX32 | 480.146 | 37.578 | 45.471 | 83.049 | 17.30% |
| FIN | SAL 3BCD-F | 26,178 | 24,377 | 0 | 24,377 | 93.12% |
| FIN | SAL 3D32. | 9,712 | 8,118 | 0 | 8,118 | 83.59% |
| FIN | SPR 3BCD-C | 16 952.000 | 6 166.716 | 9 917.677 | 16 084.393 | 94.68% |

Table 2.1. Quotas, catches and landings in Finland (tonnes, individual salmon) in 2019

The take-up percentages for herring and sprat reflect the prevalence of these species in Finnish waters.

As regards salmon fishing, in 1996 Finland introduced a decree that restricts fishing in order to protect wild salmon stocks from overfishing. Fishing is regulated in Finland's territorial waters and exclusive economic zone in the Gulf of Bothnia.

The small take-up percentage of the cod quota can be attributed mainly to the small fleet, weakened stocks and lower prices on the market.

Under Council Regulation (EC) No 2371/2002 on the Common Fisheries Policy, which was still in force in 2013, the first capacity reduction of the fishing fleet was in 2004. This reduction was to remove the excess capacity identified in the pelagic fleet and the driftnetter category.

Another capacity reduction took place in the fishing fleet in 2009. The decision was made to remove excess capacity that had accumulated in the driftnetter category as a result of the ban on drift netting.

From 2004 to 2009 public support was used to permanently remove a total of 1,675 GT and 7,815 kW of fleet capacity from the Finnish fishing fleet. Table 2.2 shows the number of vessels removed as well as the dates.

| Removing fishing capacity using public aid (GT/kW) | | | | | | |
|--|----------------------------|--------------------|------------------------|--------------------|----------------------|------------------------|
| Code | Vessel category | 2004 | 2005 | 2006 | 2009. | Total |
| 4L2 | Pelagic trawlers | 83 GT / 279 kW | 974 GT / 4,451 kW | 247 GT / 699 kW | - | 1,304 GT / 5,429 kW |
| 4L4 | Vessels using passive gear | 60 GT / 294 kW | 49 GT / 304 kW | 17 GT / 90 kW | 245 GT / 1,698 kW | 371 GT / 2,386 kW |
| Total | | 143 GT / 573 kW | 1,023 GT / 4,755 kW | 264 GT / 789 kW | 245 GT / 1,698 kW | 1,675 GT / 7,815 kW |

Table 2.2 Permanent reduction of the capacity of the Finnish fishing fleet in 2003-2019 using public support

Table 2.3 presents the number of active offshore vessels at least 12 metres long in three vessel categories in 2003-2010 and in one vessel category in 2011-2019. The trend in the pelagic vessels category has been towards fewer but larger vessels. The number of vessels was halved during the period under review. The decrease in the number of vessels using passive gear results from the ban on drift netting. Since 2011, all vessels at least 12 metres long have been grouped into one vessel category (offshore vessels).

| Number of active vessels | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 4L2, pelagic trawlers | 107 | 95 | 80 | 58 | 55 | 51 | 53 | 52 | | | | | | | | | |
| 4L3, bottom trawlers | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | | | | | | | | | |
| 4L4, vessels using passive gear | 23 | 22 | 20 | 16 | 18 | 14 | 9 | 7 | | | | | | | | | |
| Total (offshore vessels as from 1 January 2011) | 132 | 119 | 101 | 75 | 74 | 66 | 63 | 60 | 54 | 53 | 57 | 59 | 58 | 55 | 50 | 48 | 42 |

Table 2.3 Number of active vessels in 2003-2019 in the Finnish fishing fleet, vessel categories 4L2-4L4 and offshore vessels as from 1 January 2011.

3. Entry/exit scheme and fishing capacity ceilings

3.1. Entry/exit scheme

Regulation (EC) No 2371/2002, later replaced by Regulation (EC) No 865/2007, was in force in 2013. This Regulation requires Member States to manage entries into and exits from the fleet in such a way that the entry of new capacity into the fleet without public aid is compensated by the previous withdrawal without public aid of at least the same amount of capacity.

Notwithstanding the above, the safety tonnage of fishing vessels may be increased under Article 11(5) of Regulation (EC) No 865/2017.

In 2009 the Finnish authorities allowed the tonnage of two (2) vessels of the fishing fleet to be increased by a total of 35 GT under the above-mentioned scheme. In 2011 the other vessel was removed from the register, thereby reducing the increase in tonnage to 23 GTs.

3.2. Fishing capacity ceilings

The following reference levels for the Finnish fishing fleet as from 1 January 2003 have been ratified in Annex 1 to Commission Regulation (EC) No 1013/2010. That text was still in force in 2013. $R(GT)_{03} = 23,203$ GT

$R(kW)_{03} = 216,195 \text{ kW}$

Finland had met all the requirements of the fourth Multiannual Guidance Programme IV (MAGP IV) by 31 December 2013.

As a result of the entry/exit scheme provided for in Article 13 of Council Regulation (EC) No 865/2007, the actual maximum authorised target levels of the fleet were smaller. New target levels for 2013 were calculated on the basis of the Regulation. The new fishing capacity ceilings for Finland are set out in Article 22(7) of and Annex II to Regulation (EC) No 1380/2013. As from 1 January 2014, they are:

$R(GT)_{14} = 18,066 \text{ GT}$

$R(kW)_{14} = 181,717 \text{ kW}$

In 2019 no events were recorded in the fishing vessel register that would have affected these ceilings. The re-measuring of certain vessels of the fleet and the corrections made to some of the registered data have also affected the actual target levels (capacity ceiling).

According to the most recent report, the Finnish fishing fleet on 31 December 2019 was -2,441 GT (-14%) and -11,152 (-6%) less than the ceiling on fishing capacity permitted under the Regulation.

Tables 1.1, 1.2 and 1.3 show that Finland complied with all the target levels set and the rules of the entry/exit scheme in 2019 as well as in the previous years of the 2003-2018 monitoring period.

4. Observations on the fishing fleet

The development of the fishing fleet and its impact on fishing opportunities have been analysed above. This paragraph contains more details as well as background information.

The fleet is divided into two operational units (vessel categories). This division came into force on 1 January 2011. Vessel category 1 includes offshore vessels: pelagic trawlers, bottom trawlers and vessels using passive gear. Vessel category 2 includes coastal vessels. The predecessors of these vessel categories were determined in the fourth Multiannual Guidance Programme (MAGP IV). The vessel category rules and restrictions were mandatory until 31 December 2012. However, at the time vessels were not able to adapt flexibly to new market conditions and quota quantities that fluctuated yearly. Those restrictive provisions ceased to apply on 1 January 2013, after which the management of fleet segments became the Member States' duty.

The new vessel categories established at national level do not restrict either the right to use certain types of fishing gear or target species. This means that if the vessel owner so wishes, he may change the type of fishing engaged in. The vessel owner only needs to inform the authorities of changes to the registered data. This makes it possible for the authorities to regularly supervise and manage the situation.

At the end of 2019, there were 42 vessels in the offshore vessels category. As stated in the definition, all the vessels in this category are at least 12 metres long in total; the overall length of the largest vessel is 51.44 metres. The overall capacity of the vessel category accounted for 51.1% (GT) and 15.1% (kW) of the entire fleet.

In accordance with the definition, the vessels in the coastal vessels category have an overall length of less than 12 metres. Most of Finland's fishing vessels (3,170 vessels) belong to this category. The overall capacity of the vessels is 48.9% (GT) and 84.9% (kW) of the entire fleet.

The registered capacity ceiling of both vessel categories has been limited separately by a decision of the Finnish Government.

Generally speaking, the capacity and fishing effort of the Finnish fishing fleet can be considered acceptable in relation to the available fishing opportunities.

For the Finnish fleet, the most significant quotas fished in terms of fishing effort were herring in 30/31 (88.58%) and 3D-R30 (94.68%) and sprat in 3BCD-C (94.88%). The operator-specific quota system meant both the herring and sprat quotas could be used optimally.

Finland's cod fleet is rather small, so annual fluctuations in fishing effort and catches can be expected. Unlike in previous years, it was not necessary to limit cod fishing in 2019, because the small size and low price of cod did not encourage fishermen to exploit Finland's cod quota. Most of the fishing vessels that had previously caught cod have switched to exploiting fishing opportunities for herring and sprat. Only a few coastal vessels fished for cod in a small-scale, targeted manner.

At the beginning of 2017, Finland introduced a system of transferable fishing concessions (TFC) and operator-specific fishing quotas for herring, sprat and salmon. This has made it easier to manage the quotas since 2017, because, for example, it is no longer necessary to regulate herring and sprat fishing. Fishing undertakings decide themselves when and in which area they fish under their quota. The new quota system will likely reduce fishing capacity in Finland, as has happened in other countries after the introduction of a similar system. The number of offshore vessels in Finland actually decreased by 55 vessels in 2016 to 42 registered vessels in 2019.

In point 5 below, we examine the balance between the fleet and resources using indicators set out in the Commission's guidelines.

5. Analysis of the balance between the fishing fleet and the fishery resources it exploits, using biological, financial and technical parameters

5.1. Biological indicators

Biological indicators are used to assess whether the fleet's operations are based on over-exploited stocks or whether they may pose a serious biological risk to endangered fish stocks.

The Finnish fishing fleet uses the following fishing quotas in the Baltic Sea:

- Bothnian Bay herring (subdivisions 30-31)
- Herring in the main basin of the Baltic sea and in the Gulf of Finland (subdivisions 25–27, 28.2, 29 and 32)
- Sprat (subdivisions 22-32)
- Eastern cod (subdivisions 25-32)
- Western cod (subdivisions 22-24)

- Salmon in the main basin of the Baltic sea and in the Gulf of Bothnia (subdivisions 22-31)
- Gulf of Finland salmon (subdivision 32)

These quotas have been ratified by the European Council, on the basis, among others, of the scientific advice given by ICES and STECF.

In accordance with the scientific recommendations issued by ICES on 29 May 2020, the status of these fish stocks is as follows:

It has not been possible to reliably estimate the herring stocks in the Bothnian Bay (ICES subdivisions 30-31). ICES therefore recommends retaining the current TAC for Gulf of Bothnia herring. The Gulf of Bothnia herring quota (ICES subdivisions 30-31) is economically the most important quota for the Finnish fleet. However, the quota was not fully exploited last year. It is set systematically on the basis of FMSY and scientific data.

The spawning-stock biomass (SSB) of the herring stock in the main basin of the Baltic Sea and the Gulf of Finland (ICES subdivisions 25-27, 28.2, 29 and 32) has decreased to slightly below target level (SSB 2020 is slightly less than the MSY Btrigger), while the fishing mortality is higher than the target level (FMSY 0.21, in 2019 F was 0.45).

The spawning-stock biomass (subdivisions 22-232) of the herring stock is at target level (SSB 2020 is clearly above the MSY Btrigger), while the fishing mortality is higher than the target level (FMSY 0.31, in 2019 F was 0.38).

ICES has stated that the reproductive capacity of the eastern cod stocks (subdivisions 24-32) is endangered and fishing of these stocks must stop. According to ICES, the western cod stock (subdivisions 22-24) is weaker than the target level for both fishing mortality and SSB (FMSY exceeded and Btrigger too low). Finland's shares of the cod quotas are small, and cod quotas do not form a significant part of the Finnish fishing fleet's fishing opportunities. In 2019, less than 20 per cent of Finland's cod quotas were taken up in both east and west by Finnish fishing vessels. Cod is found mainly in the southern Baltic Sea, so only marginal amounts of cod are caught in Finnish territorial waters and within Finland's exclusive economic zone. Cod was fished in a few coastal areas in small quantities using passive gear, and was a bycatch in pelagic trawling in the southern Baltic Sea.

There are numerous salmon stocks in the Baltic Sea. ICES has analysed the status of 29 wild salmon stocks on the basis of their parr production capacity (MSY = 75% of the capacity). There are two wild salmon stocks in Finland, the Simojoki and the Tornionjoki stocks. The Tornionjoki salmon stock is the biggest salmon stock in the Baltic Sea, and it has developed well. On the basis of its model, ICES estimates that Tornionjoki salmon reached, with more than 90% probability, 75% of their parr production capacity in 2018. The probability for Finland's other wild salmon stock, the Simojoki stock, was 30-70%. Both wild salmon stocks have developed positively since 2000.

In the Gulf of Bothnia and the Archipelago Sea, salmon fishing targets the strong salmon stocks of the Bothnian Bay and stocked salmon intended for fishing. Coastal fishing in the Gulf of Finland mainly targets stocked salmon. However, salmon catches in Finland's coastal areas also include individual fish from weak salmon stocks. Salmon fishing in Finland is carried out as coastal fishing, where the fishing capacity is based on the gear used, not on the tonnage or propulsion power of the fishing vessels.

Salmon fishing in the Gulf of Bothnia is restricted to certain periods and catch amounts are limited. The locations of the fishing nets used to catch salmon are managed partly by the fishing authorities, which also limits the fishing effort. In addition, private fishing rights in coastal waters limit commercial salmon fishing.

Important non-quota fish stocks exploited by the Finnish fishing fleet include perch, pike-perch, whitefish and pike. ICES has not analysed data for these fish stocks. However, the Natural Resources Institute's research report 36/2018 on the status of fish stocks in 2018 and its forecasts for 2018 and 2020 contains information on the status of those fish stocks. The need for data on these fish stocks has been identified, and measures are being taken to provide more data and comply with the Marine Strategy Framework Directive.

Finland's whitefish stocks are mostly based on stocking, and natural reproduction occurs both at sea and in numerous rivers. Research results show that it is necessary to regulate net fishing in order to reduce the fishing pressure on migratory whitefish feeding in the waters. Consequently a decree has been issued limiting the smaller mesh sizes of nets used to catch whitefish. Whitefish fishing is also coastal fishing, where the fishing capacity is based on the gear used, not on the tonnage or propulsion power of the fishing vessels.

Finnish coastal waters are home to numerous local perch, pike-perch and pike stocks. Commercial fishing plays a greater role than recreational fishing in exploiting perch and pike stocks. The pike-perch catch is bigger in commercial than in recreational fishing. These species are targeted by coastal fishing, where the fishing capacity is based on the gear used, not on the tonnage or propulsion power of the fishing vessels.

When quotas are exceeded, this usually indicates overcapacity of a fleet segment. The Finnish fishing fleet's catch of fish species subject to a quota is based on quotas set by the Council of the European Union. Finland has not exceeded any of the quotas set for it by the EU since 1996. This has been ensured by regulating fishing and allocating resources to the supervision of fishing.

According to the STECF 19-13 report, the 2014 criteria (2014 balance indicator guidelines) the SHI indicator values cannot be used for three fleet segments, as they account for less than 40% of the value of the catch landed by those segments. Based on the SHI indicator values, there are two other segments that might be out of balance with the fishing opportunities. In the view of the Ministry of Agriculture and Forestry, this indicator value does not provide an accurate enough picture of the status of these segments.

5.2. Financial indicators

According to the STECF 19-13 report, the 2014 criteria (2014 balance indicator guidelines), the financial indicator values would suggest that the Finnish fleet in 2017 was essentially out of kilter with the fishing opportunities.

The Ministry of Agriculture and Forestry notes that in practice, profitability depends on the market prices of herring and sprat. The Russian-imposed ban on fish imports also affects profitability. Then again, the fishmeal factory that began operating in Finland in 2016 has improved the market situation. The profitability of coastal fishing is shrinking as a result of damage to catches and gear caused by seals and cormorants.

Moreover, any financial review of the Finnish fishing fleet should take into account the special characteristics of coastal fishing in Finland. In most of this fleet segment, fishing accounts for only part of the total income and is a source of secondary income. The formation of ice in the winter in Finland means that it is not possible for fishing vessels to operate year round. Fishing in the winter can be carried out only with large trawlers, and even that is not possible in certain periods and areas. In this light, the profitability of coastal vessels, too, can be considered acceptable. It should be kept in mind, in particular, that the main catch of this fleet segment comes from non-quota fish stocks whose biological status is sustainable.

In the view of the Ministry of Agriculture and Forestry, the STECF indicators poorly describe the financial situation of the Finnish fishing fleet and its relation to fishing opportunities. In our estimation, operations are mostly profitable, and the factors described above do not justify the conclusion that the fleet is out of balance with fishing opportunities.

5.3. Technical indicators

The annual activity of the coastal vessels (below 12 m) in the Finnish fishing fleet, measured as vessel utilisation, was rather low in the period under review. This can be explained by Finland's special circumstances. The icy winter conditions in Finland do not allow year-round fishing, and therefore it is not possible to be at sea more than 180 days a year. As mentioned above, this form of fishing is not usually the principal economic activity of owners of coastal vessels, but rather a source of secondary income. The utilisation rate of larger vessels (incl. trawlers 24-40 m) is clearly higher.

The report shows that in the Finnish fishing fleet, the inactivity rate is rather high, especially in the fleet segment of small coastal vessels. This is partly due to statistical bias. In coastal fishing (vessels less than 10 m), commercial fishermen usually own a number of vessels, not all of which are in active use. It is typical in the sector in Finland to own one or two reserve vessels.

In contrast, there are but few if any inactive vessels in the fleet segment consisting of average-size (trawlers 18-24 m) and, in particular, large (trawlers 24-40 m) vessels. The minor periods of inactivity of certain vessels can be explained by several factors: change of generation, occupational choices, illness, etc. On the other hand, it should be kept in mind that when the commercial profitability of certain units falls, the vessels are left unused while waiting for better times. In that case, other sources of livelihood are naturally used.

The STECF 19-13 report states that technical indicators be interpreted with caution, and that local expert knowledge is generally required to accurately interpret indicator data. This applies specifically to small-scale fleet segments. We would agree with this point and refer to our assessment above.

6. Information on the management of the fishing fleet register

Finland's central fisheries register (KAKE) was established in 2003 and brought into administrative use at the beginning of 2004. Since then, the supervisory authorities have had a reliable way of managing a variety of fisheries registers, including the fishing fleet register.

The fleet register system was overhauled in 2004. Since then, the authorities have been able to take screenshots of the register and send them to the Commission in accordance with Regulation (EC) No 26/2004. The content of the fleet register was inspected in the first screenshot (1 September 2004).

Subsequent screenshots have passed the inspections with hardly any errors. The errors found have been corrected, and some of them have been discussed with Commission officials.

At present, the fleet register is being properly maintained and functions adequately. Register data are pertinent and accurate. The authorities have developed a national programme to verify the accuracy of register data. This will ensure even better data quality. The programme includes a confirmation function, which also facilitates management of the fleet.

7. Conclusions

The capacity of the Finnish fishing fleet has decreased continuously since Finland joined the European Union, also after the new base level was set on 1 January 2014. The number of pelagic trawlers, in particular, has been reduced in Finland. This has been done to lessen the herring fishing effort. Similarly, the fleet using passive gear has been reduced following the driftnet ban. Finland has complied well with the fishing fleet provisions.

The present report has shown the following:

- The overall capacity of the Finnish fishing fleet has decreased continuously since Finland joined the European Union and has remained below the permitted limits;
- The low activity of the coastal vessels in Finland's fishing fleet can be explained by the icy conditions, the nature of coastal fishing and the secondary nature of fishing activities; the inactivity is also related to the fact that commercial fishing operators often own several coastal vessels, some of which act as reserve vessels;
- The profitability of the Finnish fishing fleet is reasonable, considering the special characteristics of Finnish fisheries;
- Finland has not exceeded the quotas set for it since 1996;
- The sprat stocks exploited by the Finnish fishing fleet are at the target level (MSY Btrigger) in accordance with Regulation (EU) No 1380/2013; however, according to ICES scientific advice on several occasions, the fishing mortality of the important herring stock in the Gulf of Bothnia is slightly higher than the target level. The herring stocks in the main basin of the Gulf of Finland and the Baltic Sea are below the target level and exploited at a fishing mortality rate higher than the target level. ICES has not been able to assess the situation of herring in the Gulf of Bothnia precisely. The TAC has been reduced in accordance with the recommendation;
- The eastern cod stocks exploited by the Finnish fishing fleet are not at target level, but their importance to the fishing fleet is marginal;
- All of the salmon stocks exploited by the Finnish fishing fleet are not at or near target level; their fishing is being regulated through technical regulations, because the fishing pressure is based on the use of gear and the fleet capacity does not have much effect on the fishing pressure; and
- the non-quota stocks exploited by the Finnish fishing fleet are principally local stocks and there is no precise scientific assessment of their status; their fishing is being regulated through technical regulations, because the fishing pressure is based on the use of gear and the fleet capacity does not have much effect on the fishing pressure.

The Ministry of Agriculture and Forestry considers that the information provided in this report shows that the fishing capacity of the Finnish fishing fleet and the fishing opportunities are in balance as provided for in Article 22 of Regulation (EU) No 1380/2013 and that there is no overcapacity in the fleet.