DGR M DIREÇÃO-GERAL DE RECURSOS NATURAIS,
SEGURANÇA E SERVIÇOS MARÍTIMOS

ACTION PLAN LINKED TO THE 2021 FLEET REPORT

1. INTRODUCTION

This Plan is based on Article 22 of Regulation (EU) No 1380/2013 of the European Parliament and of the Council of 11 December 2013 on the Common Fisheries Policy, which requires the Member States to put in place measures to adjust fleet capacity to fishing opportunities. As it has been identified as being out of balance, our objective is to adopt measures for the longliner fleet, in order to rectify and reverse that situation.

Regulation (EU) 2021/1139 of the European Parliament and of the Council of 7 July 2021 establishing the European Maritime, Fisheries and Aquaculture Fund (hereinafter: 'the EMFAF Regulation') lays down a number of provisions concerning the granting of EU funding. In this context, the strategic priorities are as follows:

1. promoting sustainable fishing and conserving marine biological resources;

2. promoting sustainable aquaculture and the processing and marketing of fishery and aquaculture products, thereby contributing to food security in the EU;

3. enabling the growth of a sustainable blue economy in coastal, island and inland areas, and fostering the development of fishing and aquaculture communities;

4. strengthening international ocean governance, thereby enabling safe, clean and sustainably managed seas and oceans.

As part of the first priority, the Regulation lays down provisions on the permanent and temporary cessation of fishing activities (Articles 20 and 21). With regard to permanent cessation, it establishes that cessation must be achieved by scrapping fishing vessels or by decommissioning and retrofitting them for activities other than commercial fishing, in keeping with the objectives of the CFP and the multiannual plans referred to in Regulation (EU) No 1380/2013.

Accordingly, this Action Plan identifies the segments in which the indicators clearly show that the respective capacity is out of balance with the fishing opportunities. We will set out targets and adjustment tools for the fleet segments deemed to be out of balance, as well as a timeframe for implementing the Plan.

Main conclusions of the annual fleet report

As regards the conclusions of the annual fleet report on the balance between fleet capacity and fishing opportunities, the combined application of the biological, economic and activity indicators shows that the HOK segment is especially vulnerable in terms of profitability, given that it is more labour-intensive and has a smaller catch capacity. Thus, as this segment has consistently presented negative or barely satisfactory economic and use indicators, an

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imbalance between fleet capacity and fishing opportunities is considered to exist in the overall length classes upwards of 12 m, meaning that corrective measures need to be implemented. For their part, the remaining fleet segments are not considered to be structurally out of balance, even though some present weak economic indicators, such as vessels using *xávega*/beach seines (MGO), the fleet of larger-sized trawlers, and vessels using polyvalent passive gears (PGP). These segments continue to be monitored closely.

2. IDENTIFICATION OF SEGMENTS NOT IN BALANCE

Combined analysis of the results of the vessel use, biological sustainability and economic indicators shows that the capacity of the Portuguese fleet is in balance with the fishing opportunities in the case of all fleet segments.

Nevertheless, we have identified certain segments that have consistently presented negative economic indicators in recent years. We have therefore recommended that measures be implemented to bring the fleet into line with the available resources, thereby helping to improve the sector's environmental, economic and social performance.

In particular, we have analysed the HOK segment, which has performed negatively in recent years in the case of larger vessels fishing for swordfish with surface longlines. In the past year, smaller vessels fishing for swordfish and also demersal/deep-water species have performed negatively too.

Longline fishing is very characteristic of the Portuguese fleet, especially – in the case of the mainland fleet – surface longliners fishing for swordfish and bottom longliners fishing for demersal and deep-water species. This fishery is especially vulnerable in terms of profitability as it is very labour-intensive and its catch capacity is smaller than that of the other fleet segments.

Out of the entire longliner fleet licensed for the mainland, 68 vessels make up the fleet segments covering vessels with an overall length greater than 12 metres. Of those vessels, 40 have been licensed and allocated quotas to fish swordfish in the North Atlantic and/or South Atlantic, while 35 are licensed for deep-sea fishing under Regulation (EU) 2016/2336 of the European Parliament and of the Council of 14 December 2016. 10 vessels carry out both kinds of fishing.

Considered as a whole, this particular fleet has an average age of 27 years, an average overall length of 22.5 metres, an average tonnage of 146.4 GT and an average power of 312 kW (Table 1).

Table 1 – Fleet concerned, by length class

Length class	No of vessels	Gross tonnage (GT)	Power (kW)	Average age
VL1218	22	623	3 041	32
VL1824	17	1 573	4 291	23
VL2440	26	6 189	11 798	25

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VL40XX	3	1 572	2 078	35
Total	68	9 957	21 208	27

As we can see from Table 2, the number of vessels registered in the port of Peniche stands out (13 vessels), followed by Sesimbra (11) and Póvoa do Varzim (9). This is due to the types of fishing that traditionally take place in these areas: fishing for swordfish and also deep-water species in Peniche and fishing for black scabbardfish in Sesimbra.

Table 2 – Fleet concerned, by port of registration

NUT II	Port of registration	No of vessels	Gross tonnage (GT)	Power (kW)	Average age
North	Âncora	7	1 038	2 367	24
	Caminha	1	142	323	41
	Leixões	1	453	544	70
	Póvoa do Varzim	9	969	2 545	25
	Viana do Castelo	7	2 435	4 051	24
	Vila do Conde	8	1 086	2 325	25
Centre	Aveiro	1	228	552	39
	Peniche	13	1 084	2 894	25
Lisbon metropolitan area	Sesimbra	11	629	2 129	34
Alentejo	Sines	5	544	1 411	26
Algarve	Lagos	1	141	313	17
	Olhão	1	398	661	15
	Portimão	1	593	634	18
	Sagres	2	218	459	23
Overall total		**68**	**9 957**	**21 208**	**27**

59% of the vessels in question have a metal hull, 35% a wooden hull and just 6% a fibreglass hull.

2.1. Economic indicators

We have calculated the ROFTA (return on fixed tangible assets) and CR/BER (ratio between current revenue and break-even revenue) indicators, applying a traffic light system, as can be seen from Tables 3 and 4.

Given the economic trend of recent years, the weakness in this regard is expected to worsen in 2021.

In particular, the VL2440 and VL40XX segments have consistently presented a negative CR/BER ratio in recent years. This means that the variable costs alone exceed the current revenue, which suggests that the greater the revenue generated, the greater the losses will be too.

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Combined analysis of the economic indicator table set out in the fleet report and the information available on the longliner fleet shows that the fleet is out of balance, particularly in the case of smaller vessels. This imbalance is due mainly to the impact of the COVID-19 pandemic on the prices of some of the main species fished and the pandemic-induced difficulties in selling certain frozen products to certain markets, e.g. swordfish to markets such as Italy.

More recently, the impact of the fuel price increase linked to events in Ukraine means that we do not expect the economic performance of these fleet segments to improve.

Table 3 – Economic indicators for the fleet operating in mainland Portugal

MAINLAND		2018		2019		2020		2021	
		ROFTA	CR/BER ratio	ROFTA	CR/BER ratio	ROFTA	CR/BER ratio	ROFTA	CR/BER ratio
HOK NAO	VL1218	0.09	1.35	0.40	2.54	0.03	1.12	0.15	0.96
	VL1824	0.23	1.87	0.42	2.56	0.07	1.23	-0.01	0.56
	VL2440	-0.27	-0.24	-0.33	-0.43	-0.29	-0.15	-0.37	-0.09

Table 4 – Economic indicators for the fleet operating outside the EU

PT FLEET OUTSIDE EU		2018		2019		2020		2021	
		ROFTA	CR/BER ratio	ROFTA	CR/BER ratio	ROFTA	CR/BER ratio	ROFTA	CR/BER ratio
HOK	VL2440	-0.06	0.68	0.18	1.72	-0.25	-0.19	-0.33	-0.12
OFR	VL40XX	0.09	1.42	-0.21	0.12	-0.29	-0.27	-0.49	-0.42

2.2. Use indicators

The indicator used is the ratio between the average number of days and the maximum number of days at sea, which allows the effort actually exerted and the maximum effort that could be exerted by the fleet to be assessed.

We can see from the traffic light system that no satisfactory ratios (i.e. ratios greater than 0.9) have been recorded for any length class in recent years.

The VL1218 and VL1824 segments have ratios of 0.55 and 0.57 respectively, which may indicate underuse.

Table 5 – Use indicator for the fleet operating in mainland Portugal

Mainland		2018			2019			2020			2021		
		Average	Max.	Ratio	Average	Max.	Ratio	Average	Max.	Ratio	Average	Max.	Ratio
HOK NAO	VL1218	197	285	0.69	192	265	0.72	189	274	0.69	190	344	0.55
	VL1824	222	311	0.71	227	323	0.70	193	366	0.53	210	365	0.57

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	VL2440	228	258	0.89	228	257	0.88	199	234	0.85	218	270	0.81

Table 6 – Use indicator for the fleet operating outside the EU

PT FLEET OUTSIDE EU		2018			2019			2020			2021		
		Average	Max.	Ratio	Average	Max.	Ratio	Average	Max.	Ratio	Average	Max.	Ratio
HOOK OF R	VL2440	244	302	0.81	253	308	0.82	245	363	0.67	245	331	0.74
	VL40XX	258	320	0.80	230	270	0.85	188	296	0.64	289	340	0.85

2.3. Biological indicators

While, in general, the stocks targeted by the Portuguese fleet have been assessed by the ICES as being fished within safe biological limits, there are other situations where, for precautionary reasons, the TACs have been progressively reduced over time, without any assessments using analytical models having been carried out. The use of this precautionary approach has caused problems in terms of quota management and has therefore required control measures to be implemented, particularly specific licensing measures. Indeed, various licensing restrictions have been applied in the case of species subject to quotas, such as black scabbardfish, red seabream and alfonsino. We would point out that the last two species mentioned, red seabream and alfonsino, have a high average price, which is why the more stringent catch limits have led to lower profitability for the fleet segments concerned.

Table 7 shows the evolution of the quotas and landings for the three main species fished by small-scale, traditional fleets operating exclusively with hooks and lines in ICES area 9. We can see that the quotas for these species have decreased by 35% in the last five years.

We should also point out that the quota for alfonsinos is divided between the mainland and the Azores, and only 15% of the total quota is available to the mainland fleet.

Table 7 –Initial quotas for and catches of deep-water species, mainland fleet, 2017-2021 (tonnes)

	2017		2018		2019		2020		2021	
	Quota	Descarga	Quota	Descarga	Quota	Descarga	Quota	Descarga	Quota	Descarga
Espada preto	3 294	2 305	2 965	1 827	2 801	2 560	2 801	2 485	2 241	2 354
Goraz	37	76	35	68	32	39	32	47	25	32
Imperador	182	186	182	184	164	157	164	159	41	139

Portuguese	English
Quota	Quota
Descarga	Volume landed
Espada preto	Black scabbardfish
Goraz	Red seabream
Imperador	Alfonsino

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In these cases, the trend in the fishing opportunities does not simply reflect the natural variability in the abundance of fish stocks. Stocks are subject not only to fishing pressure but also to predation pressure (which may increase under better environmental conditions) and climate change (favourable to some species but unfavourable to others). They are also subject to methodological reviews carried out at stock assessment level in the light of the work of scientific institutions, particularly those represented on the ICES. Such reviews can have direct consequences for our understanding of the conservation status of resources, as well as an impact on fishing opportunities.

The 40-vessel surface longliner fleet, which has been allocated a swordfish quota (mainland) to fish the two stocks in the Atlantic (north and south of 5°N), has also shown problems in maintaining a balance in terms of fishing opportunities.

Although the status of the resource (for both stocks) has been deemed stable, with no significant variations in fishing opportunities, the fleet licensed on the mainland is struggling to make its activity profitable, since the quotas distributed per vessel are not sufficient to ensure the viability of the fleet.

As regards the northern stock, the 38-vessel mainland fleet has been allocated 66.1% of the total quota of around 1 000 tonnes. Individual vessels have been allocated shares of the mainland fleet quota ranging from 0.6% to 6%, i.e. between 4 and 41 tonnes. Of the 38 vessels, 5 have also been allocated quotas to fish the southern stock, amounting to 11.6% of the total quota or approximately 35 tonnes each.

This fleet is very specific as it is licensed to use only longlines and there are various categories of vessels – from those that operate throughout the Atlantic to smaller coastal vessels – that fish for swordfish on a seasonal basis and use bottom or deep-water longlines the rest of the year.

In recent years, in order to try and make the fleet viable, we have negotiated with other Member States to increase the quota by 1 000 tonnes for the mainland fleet alone. However, such increases are uncertain and apply to different times in the season, which does not give the fleet stability or guarantees that it will be able to continue operating. Table 8 shows the initial and adjusted quotas for the northern swordfish stock and the corresponding level of uptake in the last five years.

Table 8 – Quotas for and catches of swordfish (northern stock), 2017-2021

	2017	2018	2019	2020	2021
Initial quota	1 170.8	978.8	1 010.4	1 047.8	1 010.4
Adjusted quota	1 738.5	1 692.4	2 410.4	2 383.9	2 180.3
Catches	1 879.7	1 691.3	2 414.3	2 095.3	2 160.5

Moreover, this fleet also traditionally fishes for blue shark and shortfin mako shark, which play an important role in boosting the vessels' profitability. However, restrictions have been applied to those species: the shortfin mako shark is included in the CITES Convention, which imposes catch and trade restrictions, and the blue shark is subject to a TAC, under which Portugal has a quota of 5 358 tonnes.

3. OBJECTIVES AND MILESTONES

3.1 Objectives to be achieved

In light of the observations set out in point 2 of this Plan, and taking into account the total number of vessels in the HOK segment identified as being structurally out of balance (presented by length class in Table 1), we consider it appropriate to organise the decommissioning of surface longliners targeting swordfish/bottom longliners until a reduction of approximately 1 000 GT and 2 700 kW is achieved.

Assuming that most of the vessels decommissioned will have quotas to fish in the North Atlantic, approximately 130 tonnes of swordfish could be made available for allocation to the rest of the fleet.

We therefore estimate that the fleet capacity will be adjusted by 10 vessels, which will result in a capacity reduction of around 1 000 GT in terms of gross tonnage and 2 700 kW in terms of propulsion power.

3.2 Tools to achieve these objectives

In order to achieve the reduction objective, we intend to make use of the fishing fleet decommissioning scheme as provided for in Article 20(2)(b) of the EMFAF Regulation, by scrapping vessels or decommissioning and retrofitting them for activities other than commercial fishing. The focus will be on older vessels with smaller quotas, given that these vessels have the greatest difficulty in ensuring regular fishing activity with regard to swordfish.

Indeed, we will prioritise vessels with swordfish quotas and also the oldest vessels, since these are generally the least energy-efficient, not only in terms of their engines but also in hydrodynamic terms.

When permanently decommissioning fishing vessels, financial support will be granted to owners of fishing vessels in the segments identified and the respective fishermen in accordance with the rules set out in Article 20 of the EMFAF Regulation and others to be laid down in national law. The amount of support will be determined in accordance with the calculation methods set out in the operational programme co-financed by the EMFAF.

To be eligible for support, fishing vessels must be registered as active and must have carried out fishing activities at sea for at least 90 days per year during the last two calendar years preceding the submission date of the application for support.

The equivalent fishing capacity will be definitively withdrawn from the EU Fleet Register, and the fishing permits permanently revoked, in accordance with Article 22(5) and (6) of Regulation (EU) No 1380/2013 and the EMFAF Regulation. The latter provides that beneficiaries must not register any fishing vessels within five years of receiving support and the owners of fishing vessels in the fleet segments covered by this Action Plan must not receive support for replacing propulsion engines (main and auxiliary) or start-up support for young fishermen.

3.3 Clear timetable and milestones

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We plan to implement the legal framework in the second half of 2022 and complete the decommissioning process by the end of 2023. This will allow us to begin distributing the mainland fleet's swordfish quota among a smaller number of vessels from 2024.