

ANNEX VIII**ACTION PLAN ATTACHED TO THE 2022 REPORT ON THE PORTUGUESE FISHING FLEET****1. INTRODUCTION**

This Plan has been drawn up on the basis of 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.

Combined analysis of the vessel use, biological sustainability and economic indicators calculated for 2022 shows that some issues exist in the hook-and-line (HOK) segments. Therefore, following on from the Action Plan set out in the 2021 report on the Portuguese fishing fleet, we should continue with the already planned adjustment to the longliner fleet, in order to bring its capacity more into line with the available resources and thus restore the balance between them.

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 on the granting of EU funding. In that context, the strategic priorities are as follows:

1. promoting sustainable fishing and the conservation of 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. In the following, we 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.

2. IDENTIFICATION OF SEGMENTS NOT IN BALANCE

Combined analysis 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 segments.

Nevertheless, we have identified certain segments that have consistently presented negative economic indicators in recent years, which is why it has become necessary to implement measures to bring the fleet

into line with the available resources, thus helping to improve the sector’s performance from an environmental, economic and social perspective.

In particular, we have analysed the HOK segment, in which the larger vessels fishing for swordfish with surface longlines have performed negatively in recent years. In the past year, smaller vessels have also performed negatively.

Longline fishing is very characteristic of the Portuguese fleet, especially – in the case of the mainland – surface longliners fishing for swordfish and bottom longliners fishing for demersal and deep-sea species.

This fishery is particularly 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, 81 vessels make up the fleet segments comprising vessels with an LOA of more than 12 metres. Of those 81 vessels, 40 have been licensed to use surface longlines and have been allocated quotas to fish swordfish in the North Atlantic and/or South Atlantic (Ministerial Implementing Order No 237/2022 of 14 September 2022), while 24 have been licensed for deep-sea fishing under Regulation (EU) 2016/2336 of the European Parliament and of the Council of 14 December 2016.

Considered as a whole, this particular fleet has an average age of 29 years, an average LOA of 21.5 metres, an average tonnage of 124.56 GT and an average power of 285.73 kW (Table 1). Moreover, 49.38% of the vessels in question have a metal hull, 45.68% a wooden hull and just 4.94% a fibreglass hull.

Table 1 – Fleet concerned, by length class

Length class	No of vessels	Gross tonnage (GT)	Power (kW)	Average age
VL1218	33	963	4 766	33
VL1824	20	1 840	5 051	25
VL2440	25	5 714	11 250	26
VL40XX	3	1 572	2 078	36
Total	81	10 090	23 145	29

The fleet now classed as being out of balance within the hook-and-line segment includes vessels other than those referred to above, which fish for other species while also being licensed to use hooks and lines. This fleet has presented structural difficulties linked to higher operating costs, higher costs due to larger crews, higher-than-average vessel ages with less economical engines, difficulties in operating on the north-western coast given the prevailing weather conditions and also the variability of the resources exploited. All these factors make this fleet segment more vulnerable and less resilient than the rest of the fleet, which is more versatile, given that it uses various types of gear to fish for a wider range of resources.

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 2 and 3.

Given the economic trend of recent years, the weakness in this regard was expected to worsen in 2022. In particular, the VL2440 and VL40XX segments have consistently presented a negative CR/BER ratio in recent years, which means that the variable costs alone exceed the current revenue.

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. The swordfish quota available to the mainland fleet is small: around 768 tonnes for a large number of vessels.

This means that, on average, each vessel has an initial quota for the North Atlantic of 18.4 tonnes/year, which is clearly insufficient to make regular activity by these vessels profitable.

Furthermore, this fleet, which would also fish sharks (shortfin mako shark and blue shark), is faced with catch and sales restrictions in the case of shortfin mako shark and catch restrictions in the case of blue shark, which make it even harder to be profitable.

More recently, the impact of the fuel price increase linked to Russia's invasion of Ukraine means that we do not anticipate any improvement in the economic performance of these fleet segments.

Table 2 – Economic indicators for the fleet operating in mainland Portugal

Mainland fleet		2019		2020		2021		2022	
		RoFTA	Ratio CR/BER	RoFTA	Ratio CR/BER	RoFTA	Ratio CR/BER	RoFTA	Ratio CR/BER
HOK	VL1218	0.39	2.51	0.03	1.10	0.39	2.46	0.31	2.34
	VL1824	0.42	2.53	0.06	1.21	0.05	1.19	0.02	1.09
	VL2440	-0.33	-0.43	-0.29	-0.14	-0.21	-0.11	-0.24	-0.70

Table 3 – Economic indicators for the fleet operating outside the EU

PT fleet outside the EU		2019		2020		2021		2022	
		RoFTA	Ratio R/BER	RoFTA	Ratio R/BER	RoFTA	Ratio R/BER	RoFTA	Ratio R/BER
HOK	VL2440	0.18	1.70	-0.25	-0.18	-0.11	0.55	-0.12	0.42
	VL40XX	-0.21	0.12	-0.29	-0.26	-0.25	-0.17	-0.50	-1.28

2.2. Use indicators

The indicator used is the ratio between the average number and the maximum number of sea days, which allows the actual effort deployed and the maximum effort that could have been deployed by the fleet to be scrutinised.

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.

This could be linked to the reduction in the activity of certain vessels, which stop fishing when their individual swordfish quotas are exhausted.

The VL1218 segment presents a ratio of 0.70, which may indicate underuse.

Table 4 – Use indicator for the fleet operating in mainland Portugal

Mainland fleet			2019			2020			2021			2022		
			Average	Max.	Ratio	Average	Max.	Ratio	Average	Max.	Ratio	Average	Max.	Ratio
NAO	HOK	VL1218	192	265	0.72	189	274	0.69	190	344	0.55	184	263	0.70
		VL1824	227	323	0.70	193	366	0.53	210	365	0.57	190	257	0.74
		VL2440	228	257	0.88	199	234	0.85	218	270	0.81	202	270	0.75

Table 5 – Use indicator for the fleet operating outside the EU

PT fleet outside the EU			2019			2020			2021			2022		
			Average	Max.	Ratio	Average	Max.	Ratio	Average	Max.	Ratio	Average	Max.	Ratio
OFR	HOK	VL2440	253	308	0.82	245	363	0.67	245	331	0.74	256	316	0.81
		VL40XX	230	270	0.85	188	296	0.64	289	340	0.85	257	285	0.90

2.1. Biological indicators

While, in general, the resources fished by the Portuguese fleet have been assessed by the ICES as being exploited within safe biological limits, there are other situations where, for precautionary reasons, the TACs have been significantly reduced over time, without any assessments using analytical models having been carried out.

Many of the other species fished with bottom longlines are not assessed by the ICES. This is because they are targeted in demersal mixed fisheries where only hake and pollack from the quota species and seabass from the other ICES-assessed species are caught.

As regards species subject to quotas, the use of this precautionary approach has created difficulties in terms of quota management and has required control measures to be implemented, particularly specific licensing measures. Indeed, various licensing restrictions have been applied in the case of quota species, such as black scabbardfish, red seabream and alfonsinos. We would point out that the last two species mentioned have a high average price, which is why the more stringent catch limits have led to lower earnings for the fleet segments concerned.

Table 6 shows the evolution of the quotas and landings for the three main species fished by traditional small-scale fleets operating exclusively with hooks and lines in ICES area 9. The quotas for these species have decreased by 31% in the last 6 years.

Nevertheless, in the case of red seabream, we have been able to increase the quota by exchanging quotas with Spain. 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 6 – Initial quotas for and catches of deep-sea species, mainland Portugal, 2017–2022 (tonnes)

	2017		2018		2019		2020		2021		2022	
	Quota	Descarga	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	2 241	2 108
Goraz	37	76	35	68	32	39	32	47	25	32	25	37
Imperador	182	186	182	184	164	157	164	159	41	139	145	145

<u>Portuguese</u>	<u>English</u>
Quota	Quota
Descarga	Volume landed
Espada preto	Black scabbardfish
Goraz	Red seabream
Imperador	Alfonsino

Furthermore, the reductions in the 2023 and 2024 quotas for these resources, namely 6% in the case of black scabbardfish and red seabream and 20% in the case of alfonsinos, which have all been imposed for the precautionary reasons referred to above, point to additional difficulties for the fleet fishing for these species, whether involved in targeted fishing for black scabbardfish or mixed fisheries exploiting the other two species. In the latter case, despite the reduced fishing opportunities, the high average price [of the two species] has an impact in terms of a shift towards fishing grounds closer to the coast, where the species caught are less profitable. It should be noted that in these fishing grounds, which can be up to 600 metres deep, species of considerable economic value – such as blackbelly rosefish and wreckfish – are caught.

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 experienced difficulties 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 the fishing opportunities, the fleet licensed on the mainland is struggling to make its activity

profitable, since the quotas allocated to individual vessels are not sufficient to ensure the viability of the fleet.

As regards the northern stock, the 40-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 those 40 vessels, 7 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 only licensed to use 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 in the order of a thousand tonnes for the mainland fleet alone, involving an international producer organisation in the negotiations. 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 7 shows the initial and adjusted quotas for the northern swordfish stock and the corresponding level of uptake in the last 6 years.

Table 7 – Quotas for and catches of swordfish (northern stock), 2017–2022

	2017	2018	2019	2020	2021	2022
Initial quota	1 170.80	978.8	1 010.40	1 047.80	1 010.40	1 010.40
Adjusted quota	1 738.50	1 692.40	2 410.40	2 383.90	2 180.30	1 687.80
Catches	1 879.70	1 691.30	2 414.30	2 095.30	2 160.50	1 738.63

Moreover, this fleet usually also fishes for surface sharks, namely blue shark and shortfin mako shark, which play an important role in boosting the profitability of the vessels. However, significant restrictions have been applied to these species: the shortfin mako shark is included in the CITES Convention, which imposes trade restrictions, and the blue shark is subject to a TAC, under which Portugal has a quota of 5 358 tonnes. From November 2023, the blue shark will also be included in the CITES Convention and will therefore be subject to trade restrictions too. This will have an impact on fleet activity in 2024 and beyond.

The mainland fleet has already used up more than 75% of the 2023 quota to fish swordfish (northern stock), after an increase of 300 tonnes. In view of that situation, and the fact that the quota should potentially be reduced to compensate for overfishing in 2022, it is advisable to adopt a temporary cessation measure aimed exclusively at the longliner fleet with an individual quota to fish swordfish in the North Atlantic.

Even if the quota to fish swordfish (northern stock) is increased in the future, the fact that Portugal has only been allocated 7.7% of the overall TAC means that there is very little prospect of an increase in the quota to the extent that would make it viable for around 40 vessels to fish the resource.

In short, although the resources fished with surface longlines on the mainland do not show signs of overexploitation, the fishery is restricted by limited quotas or other constraints arising from international guidelines issued in the light of environmental concerns over biodiversity conservation.

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 around 7 surface longliners

targeting swordfish. This will result in approximately 100 additional tonnes of swordfish being made available. We also plan to decommission around 9 vessels using bottom and/or deep-water longlines.

We therefore estimate that the fleet capacity will be adjusted by 16 vessels, which will result in a capacity reduction of approximately 1 330 GT in terms of gross tonnage and 3 800 kW in terms of propulsion power.

Table 8 – Estimated reduction target

Type of gear	Estimated reduction		
	No of vessels	Gross tonnage (GT)	Power (kW)
Bottom longlines	9	530	1 800
Surface longlines	7	800	2 000
Total	16	1 330	3 800

3.2 Tools to achieve these objectives

In order to achieve the reduction objective, we intend to rely on the permanent cessation scheme and scrap vessels or decommission and retrofit them for activities other than commercial fishing. The focus will be on older vessels, since these are generally the least energy-efficient, not only in terms of their engines but also in hydrodynamic terms. They also have the greatest difficulty in maintaining regular activity throughout the year.

When bringing fishing vessels permanently out of service, financial support will be granted to vessel owners in the segments indicated in Table 1 and the respective fishermen in accordance with the rules set out in Article 20 of the EMFAF Regulation and other rules to be laid down in national law. The amount of support will be determined in accordance with the calculation methods set out in the relevant operational programme (OP Mar 2030).

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

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.

Under the EMFAF Regulation, beneficiaries must not register any fishing vessels within five years of receiving support and the owners of vessels in the fleet segments indicated in Table 1 must not receive support for replacing propulsion engines (main and auxiliary) or start-up support for young fishermen.

In view of the current situation, we also plan to implement a temporary cessation measure in 2023 with regard to the licensed fleet with a quota to fish swordfish (northern stock) in that same year. This will cover around 40 vessels under the EMFAF Regulation.

3.3. Clear timetable and milestones

With regard to the permanent cessation of fishing activities, we plan to implement the relevant legal framework in the second half of 2023 and complete the decommissioning process by the end of 2025. This will enable us to create better conditions for the future profitability of the fleet targeting swordfish which is licensed for the mainland and bound by a quota.

As regards the temporary cessation of fishing activities, we plan to implement the relevant legal framework so that we can halt vessel activity for a period of 45 days, starting in June and ending in September 2023.