



New fisheries management law in the Faroe Islands

Sjávarútvegsráðstefnan 2017, Hörpu, 16.-17. nóvember

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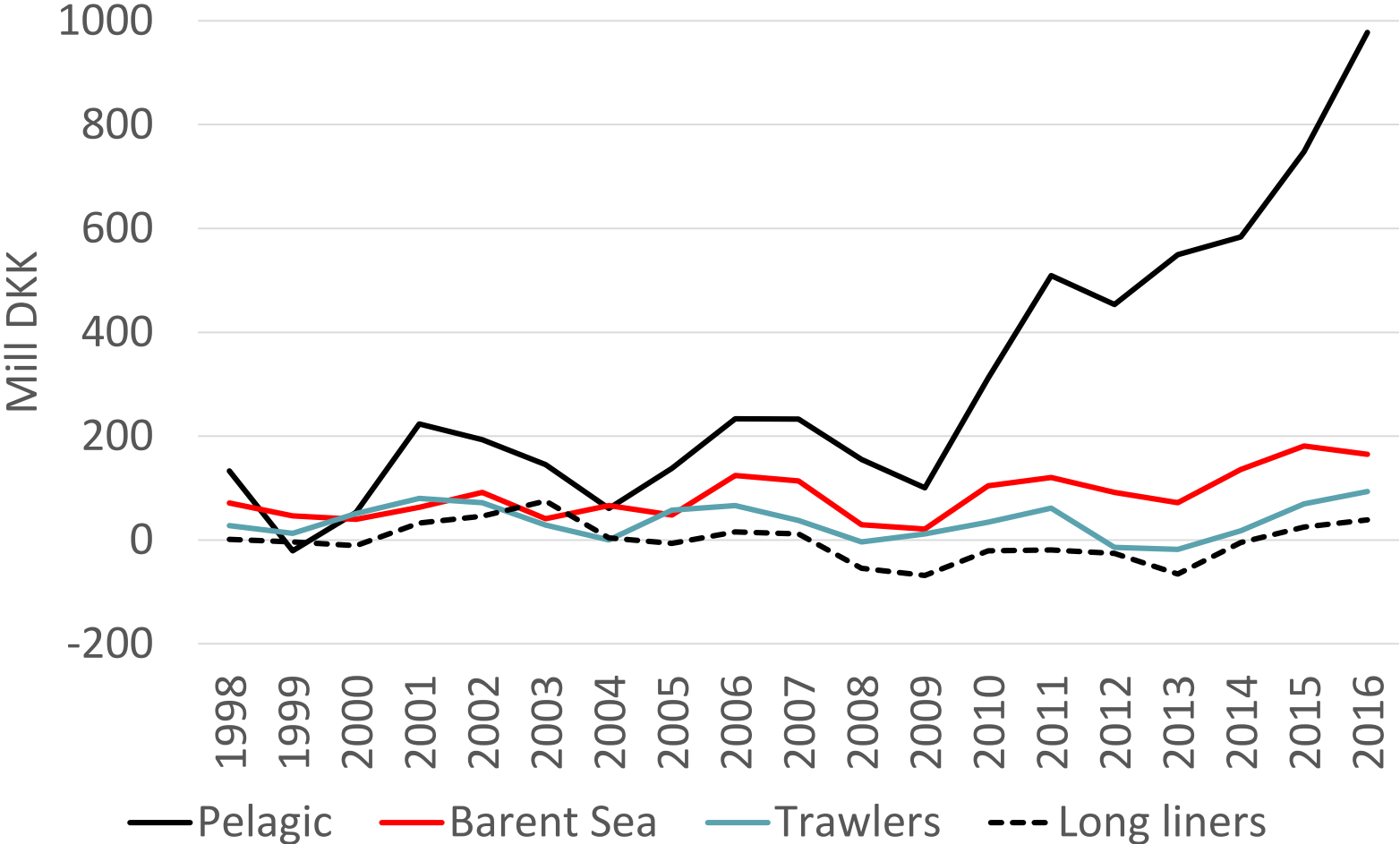
History

- 1994: Introduced the ITQ for the Faroese demersal fleet
- 1996: Got the fishing days system for the demersal fleet
- 1998: the fishing rights were made tradeable
- 2004-2007: many trades in fishing rights

Recent history

- 1. January 2008 All fishing rights to expire in 10 years
 - 14. September 2015 New government
 - 22. May 2017 Law for the parliament
 - 14. September 2017 New law for the parliament
 - 1. January 2018 New law comes into force
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Resource rent in Faroese fisheries



Headlines in reform (1)

- The goal is to maximize the resource rent
- Follow biological advice and use ITQs
- Everything ashore
- Away from vessel owned rights to company owned rights
- Probably more income to the government

Headlines in reform (2)

- Away from political allocation (grand fathering)
- To market based allocation (with auctions)
- Equal access for all companies
- Rights cannot be sold between private companies
- Anti-trust measures
- Temporary shifting period with 8 year rights

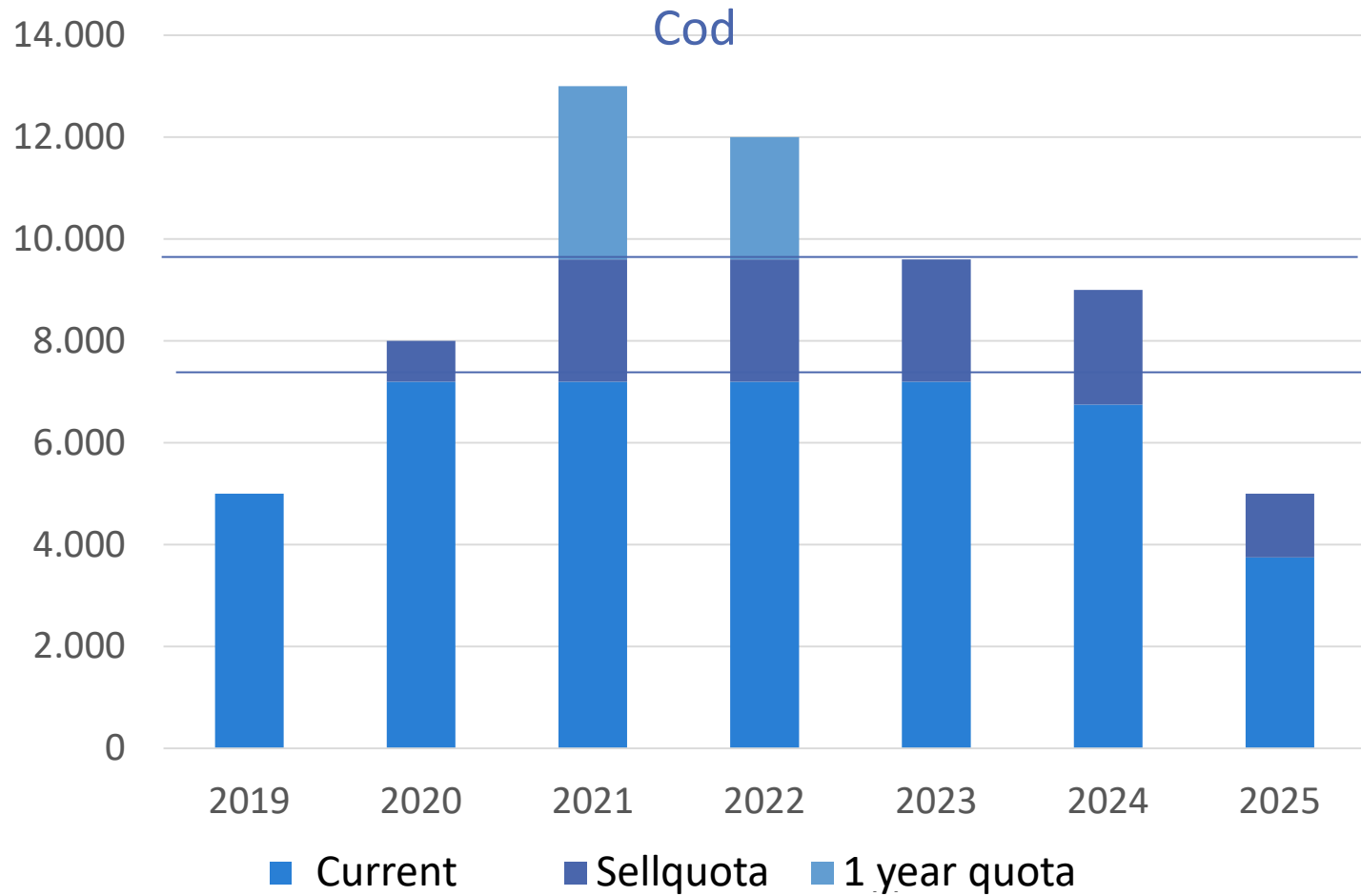
What was actually planned

- 25% of pelagic stocks are to be sold on auction
- 25% of demersal stocks in Barents Sea
- Other stocks e.g. demersal stocks around the Faroe Islands to be sold if they get higher (25%)

Pelagic and Barents Sea



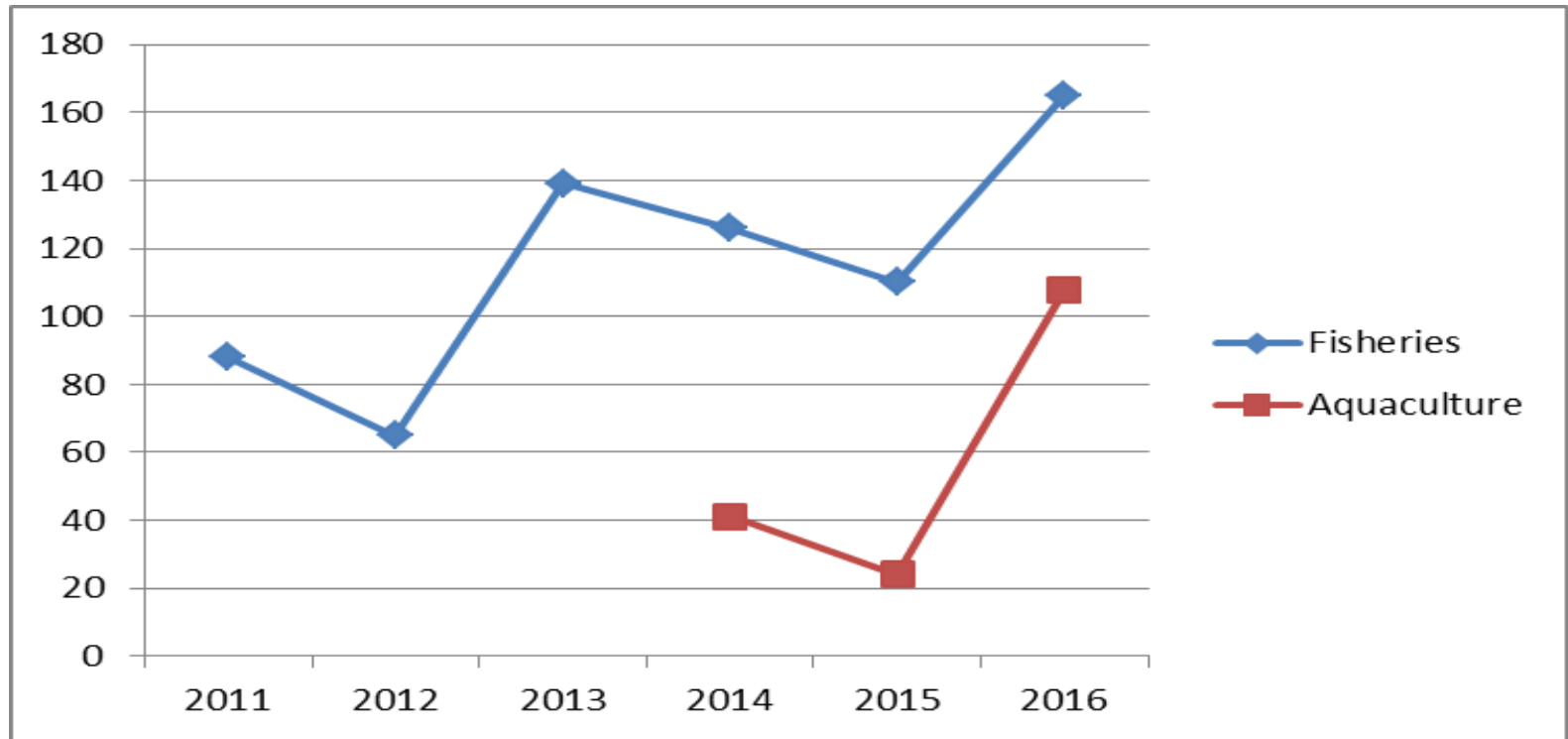
Demersal fleet



What actually happened

- ...

Resource Taxation *(in mill. DKK)*.



Source: Faroese Government

Resource tax for the grandfathered quota

- The tax has been set politically until now
- Going to tax 70% of what is above 20 % of the EBITDA
- Using accounts of 1-2 years back
- Getting a percentage of the landing value to pay e.g. 25% of landing value for mackerel
- Adjusted to the price in the auction of the species