Responsible Resource Management

Responsible fisheries management in Iceland

Development of the ITQ system

1975	Herring fishery managed with quotas
1979	Transfer of herring quotas authorized
1980	Individual vessel quotas introduced for capelin fishery
1984	Individual vessel quotas introduced for demersal fisheries
1986	Transfer of capelin quotas authorized
1988	Transfer of quotas for all species authorized.
1990	Comprehensive system of ITQs established for all regulated species

Most of the world's natural resources are limited, and marine fish stocks are no exception. Fish stocks are Iceland's main natural resource, along with geothermal and hydroelectric power. Fisheries contribute greatly to prosperity in Iceland and account for more than half of the national income from exports.

Icelandic fishing vessel owners have long advocated sustainable harvesting of the fish stocks in Icelandic waters and the careful treatment of living marine resources, in addition to adhering to strict standards for product quality and product handling.

With modern technology it is easy to overexploit fish stocks, and many stocks in the world have been overfished. For this reason it is necessary to manage fisheries. Icelanders manage their fisheries by deciding on a total allowable catch each year for each species, which is then allocated to vessels according to prearranged rules. The total allowable catch is decided based on scientific advice.

The Icelandic fisheries management system is a quota system and its goals are to secure a high yield from the fish stocks and maximize long-term profits from the fisheries.

In the early 1990s Icelandic fishing companies were allotted permanent shares in the catch from stocks subject to quota management as a fixed percentage of the annual total allowable catch of each species. This led to greater stability in their operation and more reliable long-term planning. Fishing companies are, with certain restrictions, allowed to transfer both quota shares and annual quota allotments from one company's vessels to another's. Quota transfer allows fishing companies to rationalise their operations by exchanging or combining quotas, increasing the profitability of the industry as a whole.

In addition to the determination of the total allowable catch and its allocation, fisheries around Iceland have for many years been managed by closure of large nursery areas, limitation of fishing on spawning grounds, restrictions on mesh size in fishing gear, the use of sorting gear to allow small fish to escape, restrictions on what vessel and gear types are allowed on certain fishing grounds, etc.

With increasing education and prosperity of nations, the demand for wholesome food increases. Fish caught in Icelandic waters is very wholesome due to the clean environment.

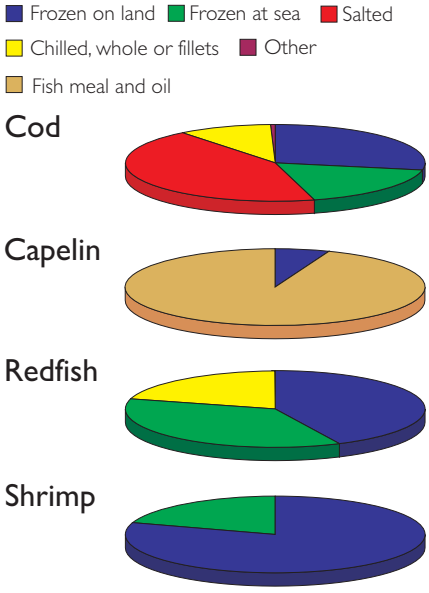
Icelandic fishing companies are world leaders in their field. They employ a well educated and competent work force that enjoys good wages. By using advanced technology for fishing and processing the catch and employing a skilled work force, the freshness of the product is preserved. This makes Icelandic seafood a wholesome, high-quality product in great demand on the major international markets.

Icelanders have placed great emphasis on marketing their seafood and established strong companies in many parts of the world to sell their products.

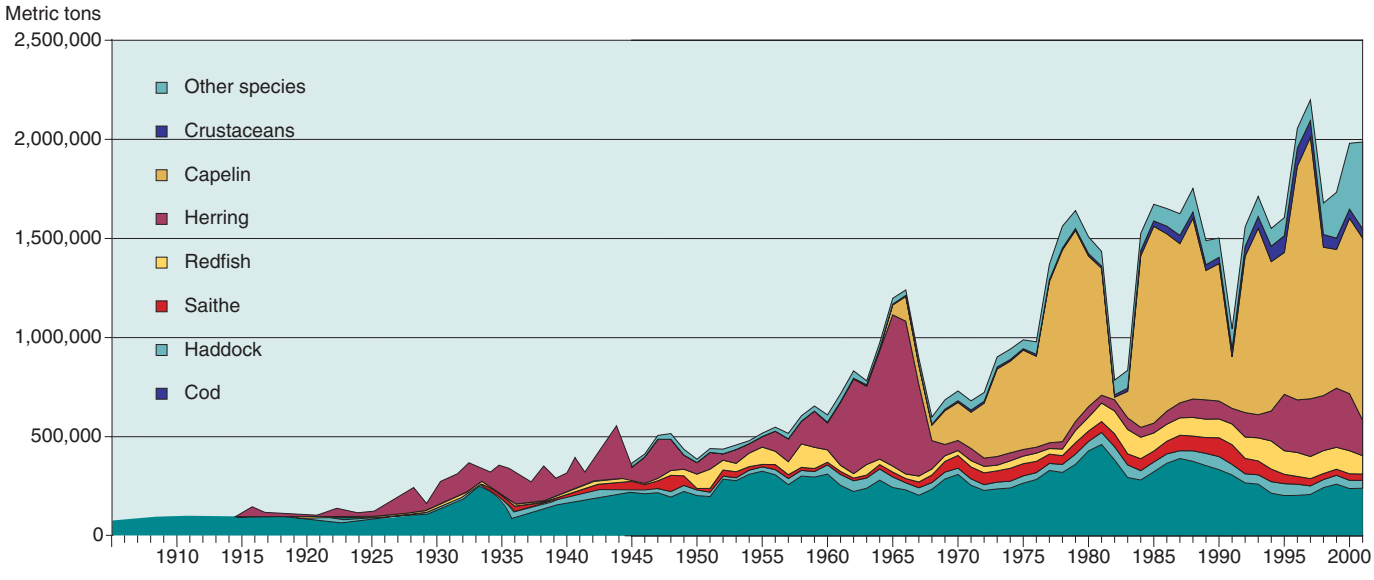
Cod

Cod is the most important utilised fish stock in Icelandic waters. It is exported fresh, frosen and salted. Important markets are in many European countries, in the USA and in South America.

Processing by species in 2001



Catch in the years 1905 -2001



Organisation and member companies

Haddock

Haddock is an important fish species to Icelanders. Haddock is exported fresh or frozen, but is also a popular part of the Icelandic diet. The main markets are in the United Kingdom and in the USA.

Saithe

Saithe in Icelandic waters is mainly caught in bottom trawls and gill nets. It is exported either frozen or salted. The main markets for saithe are in Germany, the USA and Canada.

Redfish

Almost all the redfish caught in Icelandic waters is exported. Icelanders catch three types of redfish: golden redfish, deep-sea redfish, and oceanic redfish. Redfish is caught in bottom trawls and mid-water trawls. Redfish is mainly exported to Germany and to countries in Asia.

Greenland halibut

Greenland halibut caught in Icelandic waters is regarded as belonging to a stock that also extends to eastern Greenland and the Faeroe Islands. The main Icelandic markets for Greenland halibut are in Asia and Europe.

The Federation of Icelandic Fishing Vessel Owners (LIU) is a federation of local fishing vessel owner associations all around Iceland. Member companies engage in diverse fisheries operations. The purpose of LIU is to promote the interests of its members.

Icelandic fishing companies are numerous and most are located outside the Reykjavik urban area. The recent trend has been towards fewer and larger companies. Much structural rationalization has taken place within the industry, which has led to improved stability of operations and increased profitability.

In the spring of 2002 the Icelandic Parliament decided to levy a resource tax on Icelandic fishing companies. The tax will be levied on alloted quotas based on the performance of the fishing operations as a whole. Fishing vessel owners believe that such a tax will skew the industry's competitive position in export markets with respect to foreign competitors, which are often government-subsidised.

Despite company mergers, the industry still consists of very diverse companies. Individual-owned companies are many, as are publicly owned corporations where individuals, stock funds, investment organisations and pension funds have invested their money. In this way, most Icelanders are stockholders in fishing companies, either directly or indirectly. The companies run diverse operations and some have operations in other countries. Some engage only in fishing, others have both fishing and processing operations, and some also handle marketing and sales.

Whaling is necessary

According to research conducted by the Marine Research Institute, whale stocks around Iceland are generally in a good state. It is estimated that whales in Icelandic waters, both large and small, number in the hundreds of thousands. It is problematic to allow whale stocks to grow without restriction, because predation by whales negatively impacts fish stocks and reduces opportunities for fishing. Whales consume huge amounts of food and their estimated consumption in Icelandic waters amounts to 6 million tons of seafood, of which 2 million tons are fish. The annual catch of the Icelandic fishing fleet has been 1.5 - 2 metric tons in recent years.

According to scientific assessment, the minke whale stock in the North Atlantic can very well support harvesting, as the stock size is estimated to be close to what it was before whaling began.

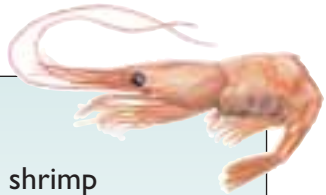
According to sighting surveys, humpback whales have multiplied in number over the past years and scientific results indicate that the stock is growing by 11% annually. The fin whale stock is in good shape and growing. It has been estimated, based on sighting surveys, that the fin whale stock in the North Atlantic consists of at least 50 thousand animals, including some 16 thousand in the area between Iceland and East Greenland.

The sei whale situation is similar, and scientists estimate that the Icelandic harvest in the past amounted to only 0.6% of the stock annually and thus had no discernible effect on the stock.

Scientists at the Marine Research Institute have for many years proposed that the fin whale and minke whale stocks should be harvested and made recommendations for annual quotas.

Capelin

Large quantities of capelin are caught in Icelandic waters. Most of the capelin is processed into oil and meal.
The main markets are in Northern Europe. Capelin is also frozen whole. Frozen capelin and capelin roe are exported to Japan. In the last few years, new markets for frozen capelin have opened up in eastern Europe.



Northern shrimp

Shrimp around Iceland belong to different local stocks, either inshore or offshore. Icelandic vessels also catch shrimp on the Flemish Cap off Newfoundland and on Dohrn Bank west of Iceland. Processing takes place both on board vessels at sea and in land-based processing plants.

The Icelandic fishing fleet

Nephrops

Nephrops is caught off the south coast of Iceland. The fishery operates all year, but the main season is from end of April through August. Nephrops is frozen whole for markets in Spain, France, Italy and Switzerland. Nephrops tails are also frozen separately and exported to America.

Iceland scallop

The main scallop fishery is in the Breiðafjörður area west of Iceland. The season is from August to February. Harvesting uses a special scallop dredge. The scallop muscle is exported frozen. The main market for scallop is in France, but a smaller quantity goes to the USA.

The Icelandic fishing fleet consists of vessels of diverse types and sizes. These include multipurpose trawlers, freezer trawlers that process and freeze the catch at sea, fresh fish trawlers which bring the chilled catch to port, and purse seiners and trawlers that catch pelagic fish species such as herring and capelin. In addition, there are a large number of boats of various types and sizes using longlines, gillnets, danish seine, trawls or handlines. Demersal species, such as cod, haddock, saithe, Greenland halibut, redfish and plaice, are mainly caught in trawls, on longlines, in gillnets or with Danish seine. Pelagic species are caught in purse seine or pelagic trawls. Oceanic redfish is caught in mid-water trawls, shrimp and nephrops are caught in bottom trawls, and scallops are harvested using scallop dredges.

Environmental policy of Icelandic Fishing Vessel Owners

The Federation of Icelandic Fishing Vessel Owners has agreed on an environmental policy. The Federation of Icelandic Fishing Vessel Owners also awards an annual environmental prize to member companies that excel in their environmental efforts.

The environmental policy of The Federation of Icelandic Fishing Vessel Owners consists of eight items:

1. The Federation of Icelandic Fishing Vessel Owners will promote preservation of the clean and healthy marine environment around Iceland

2. The Federation of Icelandic Fishing Vessel Owners will promote the continued sustainable utilisation of living marine resources

3. The Federation of Icelandic Fishing Vessel Owners promotes the use of fishing gear designed for the careful treatment and utilisation of marine resources

4. The Federation of Icelandic Fishing Vessel Owners supports strengthening of marine research

5. The Federation of Icelandic Fishing Vessel Owners will seek to guide its members so that they are better equipped to meet the requirements of laws and regulations

6. The Federation of Icelandic Fishing Vessel Owners will endeavour to inform the public about the environmental effects of fishing operations

7. The Federation of Icelandic Fishing Vessel Owners will seek to promote the environmental awareness of fishing company employees

8. The Federation of Icelandic Fishing Vessel Owners will work towards obtaining the cooperation and assistance of authorities and industry particpants in the implementation of this environmental policy.

Milestones in the fisheries jurisdiction

1948	**Iceland passes legislation on the scientific conservation of the continental shelf**
1952	**4-mile Fisheries Jurisdiction**
1958	**12-mile Fisheries Jurisdiction**
1972	**50-mile Fisheries Jurisdiction**
1975	**200-mile Fisheries Jurisdiction**

Herring

Herring has long been important to the Icelandic economy. Herring is exported frozen or salted, and part of the catch is also processed into oil and meal. The main markets for herring products are in Europe.

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