

This briefing serves as the New Economic Foundation's response to the Climate Change, Environment and Rural Affairs Committee call for written evidence on *The impact of Brexit on fisheries in Wales*. The New Economics Foundation has produced two reports on this subject: *Not in the same boat: The economic impact of Brexit across UK fishing fleets*,<sup>i</sup> published as a NEF report in November 2017 and *Implications of Brexit for Fishing Opportunities in Wales*,<sup>ii</sup> published by the Welsh Centre for Public Policy in February 2018. We look forward to contributing to the forthcoming Miller Research report, *An assessment of seafood sector readiness post-Brexit* for the Welsh Government and to delivering oral evidence to the National Assembly for Wales next month.

### **To what extent do current Welsh fisheries policies and wider management measures deliver desired outcomes?**

To answer whether Welsh fisheries policies are delivering their desired outcomes requires a clear definition of what those desired outcomes are. Unfortunately this clarity has been missing from Welsh fisheries management. Current Welsh legislation, notably the Environment Act (2016) and the Wellbeing of Future Generations Act (2015) go some way towards defining government-wide objectives, but fishery-specific objectives are required. The forthcoming Welsh National Marine Plan is a step in the right direction but more detail is required, for example what is found in Defra's policy paper *Fisheries 2027 – a long-term vision for sustainable fisheries*.<sup>iii</sup>

Defining clear objectives for fisheries management is particularly important because the socio-economic trends in Welsh fisheries demonstrate trade-offs, for example between decreasing employment increasing profitability.<sup>iv</sup> Whether these trends are positive or negative developments is a political decision about the best use of a public resource. Even the environmental objectives of fisheries management require further debate. Maximum sustainable yield, the current environmental reference point for fish stocks in EU waters, is, as the name implies, not a conservation reference point but simply the stock size that can produce the maximum *yield* over the long-term – a production-based objective.

### **What outcomes and policies does Wales want to see from the UK Fisheries Bill? How can policy best reflect the needs of different sectors, including the fishing industry, aquaculture and coastal communities?**

This is the right question to be asking, in particular the emphasis on different sectors – as there are different needs and priorities across the seafood supply chain and even across the catching sector – and the emphasis on coastal communities. For several decades now the fishing industry has been largely detached from food provision within the UK. Most fish caught in the UK is exported and most seafood consumed is imported.<sup>v</sup> Instead, the primary

role of the fishing industry for delivering wider social objectives is through economic resilience in coastal communities. Fishing policy should reflect this central fact.

Based on our research on fisheries and coastal communities in the UK, NEF has four policy asks for the Fisheries Bill:

- An explicit requirement for ‘ecosystem-based fisheries management’, as part of a joined-up approach across all policy to ensuring the health of the sea.
- A new ‘quota reserve’ system: this would set aside a percentage of quota (especially any new quota that comes the UK’s way after Brexit), and allocate it as an incentive to deliver on public goods – environmental and social goals – and helping new, low-impact fishers establish themselves in the industry.
- A process of ‘quota reallocation’, ensuring that those fishers currently left out of the system receive a quota share that is both fair and viable. The Bill should also expand the geographical remit of inshore management from the current 6 miles to 12, to allow for local solutions to unique environmental challenges along our coast.
- A review of the support available for the industry and institute a new ‘landings tax’ for fisheries management, differentiated to incentivise boats to land in UK ports.

These policy asks are described in more detail in our briefing: *A fair and sustainable Fisheries Bill*.<sup>vi</sup>

Ultimately, the task of defining what outcomes and policies Wales wants to see from the UK Fisheries Bill is a collaborative exercise across many diverse stakeholders. What can be said is that the Welsh fishing fleet is unique in the UK context and, owing to its small size, in danger of being drowned out in the policy debate.

### **What are the main challenges and opportunities for fisheries during the transition period and post-Brexit?**

Post-Brexit fisheries management presents both challenges and opportunities for Welsh fisheries. Three major challenges come in the form of regulatory gaps, tariff and non-tariff barriers, and overfishing through the tragedy of the commons. Three major opportunities come in the form of potential quota increases, restricted access to UK waters, and more localised decision-making.

These challenges and opportunities are described in more detail in our report *Not in the same boat: The economic impact of Brexit across UK fleet segments*.<sup>vii</sup> One of the main findings of this report is that these challenges and opportunities balance unevenly across different fleet segments. As elaborated on in our report for the Welsh Centre for Public Policy, *Implications of Brexit for Fishing Opportunities in Wales*,<sup>viii</sup> as the Welsh fishing fleet is characterised by small-scale vessels fishing non-quota species for export, under most scenarios the challenges are set to outweigh the opportunities.

The transition period can serve to address some of these concerns, first by securing the best form of Brexit in EU negotiations and second by delivering good 'Brexit-proof' fisheries legislation. During this period, the greatest challenge for fisheries is the temptation for combative rhetoric that stands at odds with the collaborative reality of shared fish stocks as well as the temptation for bold promises that are ultimately undeliverable. The opportunity during this period is to use the time provided and the increased attention of fisheries to deliver wholesale fisheries reform.

**How effective is the Welsh Government's engagement with the UK Government on fisheries? Are Welsh interests being given sufficient consideration within the Brexit negotiations?**

The leaked versions of the UK Government's White Paper suggest that attempts made by the Welsh Government (and other devolved administrations) have not been very effective. There appear to be no guarantees that powers over fishing policy gained as a result of Brexit will be devolved from Westminster.

The EU negotiations are even more difficult to get an insight into, particularly for an issue like fisheries that has been identified as "medium priority".<sup>ix</sup> Our report for the Welsh Centre for Public Policy, *Implications of Brexit for Fishing Opportunities in Wales*,<sup>x</sup> identified four key conclusions of relevance for these negotiations and future UK policy.

- The current focus of Welsh fisheries on non-quota species means that the immediate benefits of zonal attachment quota allocations would be limited in Wales.
- The current reliance on the EU market for selling the catch means that maximising EU market access, whilst minimising tariff and non-tariff barriers for fish and fish products, are important for the Welsh fleet. For most Welsh vessels, this is currently seen as more important than quota allocations.
- Wales could benefit from increased quota of quota-managed species if zonal attachment is used to divide fishing opportunities with the EU and/or in the distribution of UK quota to the devolved administrations.
- Support for vessel adaptations and port, market and logistics infrastructure would help to fully exploit such opportunities and maximise the potential benefits for Wales.

We welcome the opportunity to provide written evidence for this important inquiry and look forward to discussing these issues in more detail.

## Endnotes

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- <sup>i</sup> Carpenter, G. (2017). Not in the same boat: The economic impact of Brexit across UK fishing fleets. London: New Economics Foundation. Retrieved from: <http://neweconomics.org/2017/11/not-in-the-same-boat/>
- <sup>ii</sup> Carpenter, G., Williams, C., Walmsley, S. (2018). Implications of Brexit for fishing opportunities in Wales. Cardiff: Wales Centre for Public Policy. Retrieved from: <https://www.wcpp.org.uk/publication/implications-of-brexit-for-fishing-opportunities-in-wales/>
- <sup>iii</sup> Defra (2011). Fisheries 2027 – a long-term vision for sustainable fisheries. London: Department for Food, Environment and Rural Affairs. Retrieved from: <https://www.gov.uk/government/publications/fisheries-2027-a-long-term-vision-for-sustainable-fisheries>
- <sup>iv</sup> Seafish (2018). Seafish fleet economic performance data. Edinburgh: Seafish. Retrieved from: <http://www.seafish.org/research-economics/industry-economics/seafish-fleet-economic-performance-data>
- <sup>v</sup> Carpenter, G. (2017). Not in the same boat: The economic impact of Brexit across UK fishing fleets. London: New Economics Foundation. Retrieved from: <http://neweconomics.org/2017/11/not-in-the-same-boat/>
- <sup>vi</sup> Carpenter, G. (2018). A fair and sustainable Fisheries Bill. London: New Economics Foundation. Retrieved from: <http://neweconomics.org/2018/05/fair-sustainable-fisheries-bill/>
- <sup>vii</sup> Carpenter, G. (2017). Not in the same boat: The economic impact of Brexit across UK fishing fleets. London: New Economics Foundation. Retrieved from: <http://neweconomics.org/2017/11/not-in-the-same-boat/>
- <sup>viii</sup> Carpenter, G., Williams, C., Walmsley, S. (2018). Implications of Brexit for fishing opportunities in Wales. Cardiff: Wales Centre for Public Policy. Retrieved from: <https://www.wcpp.org.uk/publication/implications-of-brexit-for-fishing-opportunities-in-wales/>
- <sup>ix</sup> Coates, S. (2017). Leak reveals low-priority industries for Brexit talks. The Times. 10 February 2017. Retrieved from: <https://www.thetimes.co.uk/article/leak-reveals-low-priority-industries-for-brexit-talks-q020z5clb>
- <sup>x</sup> Carpenter, G., Williams, C., Walmsley, S. (2018). Implications of Brexit for fishing opportunities in Wales. Cardiff: Wales Centre for Public Policy. Retrieved from: <https://www.wcpp.org.uk/publication/implications-of-brexit-for-fishing-opportunities-in-wales/>