

It's been a GOOD month for:

Silver Bay Seafoods – just five years old the Alaskan seafood company already has sales breaking through the US\$100 million barrier



It's been a BAD month for:
South African fishermen – WWF claim industry cannot sustain the number employed in the industry and is again for government investment

Iceland's reform debate

Rijuta Dey, Eva Tallaksen

Iceland, ranked 17th among the world's fishing nations, has much to gain from reaching a solution to ongoing reform proposals.

With much at stake, the reform bill, which began in 2009, is marred by confusion and too many voices each pushing its own agenda. There seems no consensus about a final outcome, even within the government.

Radical reforms over recalling quotas and pulling them into one 'pot' that the current government promised (upon its election in 2009) hasn't translated well in practice. The fisheries minister submitted two legislative proposals for changes in the management system last spring – outlining fundamental changes in current management laws.

The first proposal contained changes in quota fees and fisheries and was passed last June. The second, informally called the 'big bill', contains greater changes and was resubmitted to parliament as FNI went to press. This has incited much debate amongst industry players.

Of concern is that the proposals threaten the current status of vessel owners being the *de facto* owners of fishing quotas – although officially, quotas are defined as public property and belonging to government. However, reforms point towards nationalising quotas, an idea



Photo: Berthor Gunnlaugsson

DEADLOCK: The Icelandic fisheries reform bill is not likely to come to an easy conclusion

which hasn't gone down well with vessel owners who believe this will threaten their ability to take advantage of market opportunities and that it will reduce incentive for long-term planning of fishing and processing.

The Federation of Icelandic Fishing Vessel Owners (LIU) are one group dissatisfied with the plan. "What we are facing is the changing of key elements to the system. The industry's efforts for over two years have been to fight this instead of rebuilding after the crisis," said Sigurður Sveinn Sverrisson, head of corporate communications

of the group. "The industry has been in standstill for two years, with no investments, just basic maintenance."

Iceland's industry has responded to challenges of reduced quotas in the 1990's by reducing fleet size and condensing quota shares.

There was strong trends towards consolidation after quotas became transferable, and when fishing rights began to be mortgaged.

However, this consolidation has also entailed increased indebtedness within the industry. On the upside, a streamlined

industry and weak krona has resulted in an upswing in companies' earnings before interest, taxes, depreciation and amortization (EBITDA) contribution margins since 2009.

"The industry in Iceland is booming because the Icelandic krona is so low. Our companies have been paying off loans like there is no tomorrow," Sverrisson told *FNI*.

But, the lack of investments means there is an accumulated need for investments. "There is a yearning for investment. Until people know what the future holds, no one will do anything."

Spanish EU fleet harassed by Argentina on route to Mon

Ian Emmett

The Spanish fleet operating