

Annual report

on balance between fishing capacity and fishing opportunities for 2013 - Croatia

pursuant to Article 22 of the *Regulation (EU) no 1380/2013 of the European Parliament and of the Council of 11 December 2013 on the Common Fisheries Policy, amending Council Regulations (EC) No 1954/2003 and (EC) No 1224/2009 and repealing Council Regulations (EC) No 2371/2002 and (EC) No 639/2004 and Council Decision 2004/585/EC* and following the *EC Guidelines for analysis of the balance between fishing capacity and fishing opportunities*.

Table of Contents

1	INTRODUCTION	2
2	SECTION A: DESCRIPTION OF THE FISHING FLEET SEGMENTS IN RELATION TO FISHERIES: DEVELOPMENTS DURING THE PREVIOUS YEAR, INCLUDING FISHERIES COVERED BY MULTIANNUAL MANAGEMENT OR RECOVERY PLANS	2
2.1	DESCRIPTION OF THE FLEET	2
2.2	LINK WITH FISHERIES	4
2.3	DEVELOPMENT IN FLEETS	8
2.4	MANAGEMENT PLAN FOR SARDINE AND ANCHOVY IN GSA 17	8
3	SECTION B: THE IMPACT ON FISHING CAPACITY OF FISHING EFFORT REDUCTION SCHEMES ADOPTED UNDER MULTIANNUAL MANAGEMENT OR RECOVERY PLANS OR, IF APPROPRIATE, UNDER NATIONAL SCHEMES	8
4	SECTION C: INFORMATION ON THE COMPLIANCE WITH ENTRY/EXIT SCHEME	9
5	SECTION D: SUMMARY REPORT ON THE WEAKNESSES AND STRENGTHS OF THE FLEET MANAGEMENT SYSTEM TOGETHER WITH A PLAN FOR IMPROVEMENTS AND INFORMATION ON THE GENERAL LEVEL OF COMPLIANCE WITH FLEET POLICY INSTRUMENTS	9
5.1	SUMMARY OF WEAKNESS AND STRENGTHS OF FLEET MANAGEMENT SYSTEM	9
5.2	PLAN FOR IMPROVEMENTS IN FLEET MANAGEMENT SYSTEM	10
5.3	INFORMATION ON GENERAL LEVEL OF COMPLIANCE WITH FLEET POLICY INSTRUMENTS	10
6	SECTION E: INFORMATION ON CHANGES OF THE ADMINISTRATIVE PROCEDURES RELEVANT TO THE MANAGEMENT OF THE FLEET	10
7	SECTION F: FUTURE ADDITIONAL NATIONAL MANAGEMENT MEASURES FOR THE LIMITATION OF THE FISHING EFFORT	10
8	SECTION G: BALANCE INDICATORS	11
8.1	TECHNICAL INDICATOR:	11
9	CONCLUSION	14
	ACTION PLAN	15

1 INTRODUCTION

Croatia became the Member State of the European Union at 1st July 2013. As this fleet report covers in essence the period prior to Croatia's accession (2012), data and fleet analysis contained herein are mainly concentrating on the situation in 2013. Some figures and analysis are considered preliminary, given that they were either not available prior to accession or were reported as indicative. As of 2013, Croatia participates in the DCF and it is expected that a more robust data analysis shall be possible upon processing of information collected under the DCF in 2013 and 2014.

Croatian fleet capacity ceiling was set at the date of accession, and has been fixed for the first time in the Annex II of Regulation (EU) 1380/2013. The ceiling as set in the Annex II is 53 452 GT and 426 064 kW. Prior to accession, there were no capacity ceilings. Croatia has not until now benefited from scrapping or other permanent cessation fleet measures funded under the EFF, and its fleet management measures were based primarily on an array of effort management measures pursuant to national legislation in force. Scrapping is foreseen as one of the measures under the OP for the EFF (to be implemented in 2015.) for PS and DTS fleet segments. As the measures have not been implemented yet, their effect shall be included in future reports on balance of capacity and opportunities.

Given the specific situation of Croatia, it should also be taken into account that at the date of accession the total number of vessels registered was 7770, while the figures listed in this report indicate the number of 4368 vessels registered in 2013. This discrepancy is the consequence of inclusion of 3500 vessels in the fleet register, as per accession negotiations. The ceiling limit set in the Annex II of the Regulation (EU) 1380/2013 includes however all the vessels.

2 Section A: Description of the fishing fleet segments in relation to fisheries: developments during the previous year, including fisheries covered by multiannual management or recovery plans

2.1 Description of the fleet

At the date of accession (1st July 2013), the total number of vessels registered in the fleet register was 7770. This figure contains 3500 small vessels that were, pursuant to the accession negotiations, transferred into the category of commercial fleet from the previous category of non-commercial small-scale fisheries (whereby the name implied a non-commercial restricted category in national legislation). All analysis in this report is based on the 4368 vessels that have been registered as commercial prior to accession or have been active in 2013 in the "true" commercial fleet, as per relevant provisions of the DCF.

In 2013, majority of Croatian fleet was composed of vessels with LoA less than 12 meters (84,93%). The fleet contained 399 vessels, or 9,13% with LoA between 12 and 18, 125 vessels, or 2,86% with LoA between 18 and 24 and 130 vessels, or 2,97% with LoA over 24 m.

LoA		2013
0-12	number	3710
	GT	10276,53
	kW	179769,2
12-18	number	399
	GT	7151,41
	kW	63843,51
18-24	number	129
	GT	8290,76
	kW	36651,8
24-40	number	129
	GT	19745,52
	kW	66029,54
40+	number	1
	GT	328
	kW	1250
TOTAL Nr. of vessels		4368
TOTAL GT		45792,22
TOTAL kW		347544

Table 1: Fleet characteristics in 2013

In 2013, the most important fleet segment in terms of landing percentage was purse seines (PS, almost 92% of total landings), whereas the largest number of vessels were active in driftnet and fixed nets segment (DFN, in Croatia fixed nets – gillnets and trammel nets, 1110 active vessels or 41% of the fleet). Although hook and line gears (HOK) and miscellaneous active gear (MGO) constitute some 25% of active fleet, their share in landings is negligible. This is primarily due to the fact that these fleet segments are composed almost entirely of small vessels less than 6 and 12 m LoA whose activity is largely seasonal and vessels operate on local basis. Very often these activities are not the main source of income for the vessel owner.

Gear	Number of active vessels	Share of active vessels in fleet (%)	Landed quantity (kg)	Share in total landing (%)
PS	204	7,45%	67592953,2	91,57%
DTS	456	16,65%	4567220,74	6,19%
DFN	1110	40,53%	677984,9	0,92%
MGO	346	12,63%	310888,61	0,42%
HOK	339	12,38%	239556,34	0,32%
DRB	29	1,06%	212254,42	0,29%
PMP	78	2,85%	124969,36	0,17%
FPO	145	5,29%	69995,05	0,09%
PGP	28	1,02%	14622,05	0,02%
PGO	4	0,15%	4156	0,01%
TOTAL active	2739		73814600,7	

Table 2: Active vessels with landings weight distributed according to fishing technique in 2013 and ranked by share in total landing.

2.2 Link with fisheries

A total of 120 different species were landed in 2013. The most important ones in terms of quantity and value are listed in the tables below. The trends in terms of quantities landed have been stable over time, with the share of small pelagic species by far dominating the overall structure. Small pelagic species also constituted the most important species in terms of value, accounting for over 55% of total value. On the other hand, Norway lobster accounts for less than 0.8% in landings, but accounts for almost 6% of the value. Hake accounts for 1,5% of quantity landed, and almost 7% of value.

Species	Total landings (kg)	Share in total landing (%)
Sardine	53417764,57	72,37
Anchovy	9233006,52	12,51
Small pelagics	3811954,5	5,16
Hake	1104612,83	1,50
Red mullet	1048732,5	1,42
Mackerel	590436,31	0,80
TOTAL	69206507,23	93,76

Species	Total landings value (euro)	Share in total landing value (%)
Sardine	21125961,83	40,44%
Anchovy	7907555,3	15,14%
Hake	3455321,659	6,61%
Norway lobster	3121934,519	5,98%
Red mullet	1978827,749	3,79%
Common sole	1669717,677	3,20%
Deep-water rose shrimp	1463659,692	2,80%
Horned and musky octopuses	1452728,151	2,78%
Small pelagics	1112077,635	2,13%
Common octopus	585153,298	1,12%
European squid	570470,576	1,09%
Monkfishes nei	550548,7798	1,05%
TOTAL	52245153,73	

Table 3: Species representing over 90% of Croatian landing (a) and 90% of value (b)

The most important fleet segment in terms of contribution to total landings is purse seines 24 to 40 meters LoA. This fleet segment accounts for over 50% of landings in 2013. Overall, all purse seine segments, excluding the ones above 40 meters LoA and less than 12 meters LoA make up 90% of Croatian landings. This is in accordance with the structure of overall total landings. These fleet segments target sardines and anchovies, and as of October 2013 fall under the provisions of a multiannual management plan for small pelagic in GSA 17.

In terms of fleet segments active, majority was attributed to driftnets and fixed nets. However, as mentioned above, their share in total landings is small. The most important segment in this gear class was the one between 6 and 12 meters LoA, with 760 vessels, representing almost 28% of the fleet. It should be pointed out that only fixed nets are used in Croatia (trammel and gill nets), and that these operate in shore and coastal waters, in limited areas and during limited periods.

Fleet segment		Share in total landing (kg)	Share in total landing (%)	Number of vessels	Share of active vessels in fleet in 2013
PS	VL2440	40753783,82	55,21%	67	2,45%
PS	VL1824	19677683,25	26,66%	54	1,97%
PS	VL1218	6033891,63	8,17%	45	1,64%
DTS	VL1218	1987194,48	2,69%	203	7,41%
DTS	VL1824	959745,21	1,30%	40	1,46%
DTS	VL0612	875855,13	1,19%	190	6,94%
DTS	VL2440	737201,32	1,00%	16	0,58%
PS	VL40XX	724649,5	0,98%	1	0,04%
DFN	VL0612	517232,49	0,70%	760	27,75%
PS	VL0612	401988,28	0,54%	34	1,24%
MGO	VL0006	215894,09	0,29%	270	9,86%
HOK	VL0612	205890,28	0,28%	241	8,80%
DFN	VL0006	129379,77	0,18%	329	12,01%
DRB	VL1218	97582,62	0,13%	15	0,55%
MGO	VL0612	94301,52	0,13%	75	2,74%
DRB	VL0612	82117,15	0,11%	11	0,40%
PMP	VL0612	79969,3	0,11%	41	1,50%
FPO	VL0612	49386,95	0,07%	108	3,94%
DFN	VL1218	31372,64	0,04%	21	0,77%
DRB	VL1824	32349,65	0,04%	1	0,04%
FPO	VL0006	20608,1	0,03%	37	1,35%
HOK	VL0006	21679,46	0,03%	89	3,25%
PMP	VL0006	23866,01	0,03%	33	1,20%
PMP	VL1218	21134,05	0,03%	4	0,15%
HOK	VL1218	11986,6	0,02%	9	0,33%
PGP	VL0612	12668,15	0,02%	20	0,73%
DTS	VL0006	7224,6	0,01%	7	0,26%
PGO	VL0006	3781,5	0,01%	3	0,11%
DRB	VL0006	97,3	0,00%	1	0,04%
DRB	VL2440	107,7	0,00%	1	0,04%
MGO	VL1218	693	0,00%	1	0,04%
PGO	VL0612	374,5	0,00%	1	0,04%
PGP	VL0006	1953,9	0,00%	8	0,29%
PS	VL0006	956,7	0,00%	3	0,11%
National fleet totals		73814600,65		4368	

Table 4: Distribution of total landings weight amongst fleet segments in 2013 ranked by share in total landing.

The species that constituted majority of landings of the most important fleet segments are shown in the table below. As can be seen, majority of the landings of purse seines in the segment from 24 to 40 meters LoA included sardine (91%) and anchovies (8%). In the purse seine fleet segment from 24

to 40 m LoA, the species included sardine (80%) and anchovies (13%) mainly. More or less the same structure can be observed (in similar shares) in all PS segments.

On the other hand, the fixed nets segment from 6 to 12 m LoA, which represents the largest number of vessels active in the fleet, landed sole (18%) and a mixture of other demersal species (hake 5%, picarel 3%, cuttlefish 3%, breams 3%).

For demersal trawls, the composition in segments from 24 to 40 and from 18 to 24 meters LoA mainly includes hake (27% and 25% respectively). The segment from 24 to 40 m LoA landed also shrimp (17%) and deep water rose shrimp (14%), while the segment from 18 to 24 m LoA landed red mullet (17%) and deep water rose shrimp (13%). In the demersal trawl segments from 12 to 18 m LoA and 6 to 12 m LoA the main species landed were red mullet (30% and 20% respectively), with hake (20% and 15% respectively) and musky octopus (12% and 14% respectively) as two other main species in both segments. The differences between different segments of the same gear groups can be explained by the fishing grounds exploited (smaller segments tend to stay closer to shore, use gears other than bottom trawl nets and exploit different fishing grounds, whereas larger segments tend to operate in areas a bit further from the shore).

Fleet segment		Landing (kg)	FAO species
PS	VL40XX	660603.5	PIL
		58156	ANE
		4854	MAS
PS	VL2440	32530626	PIL
		5133821	ANE
		2593975	PEL
PS	VL1824	15233427	PIL
		3105055	ANE
		1054544	PEL
PS	VL1218	4780353	PIL
		883013.3	ANE
		153230.4	PEL
PS	VL0612	188499	PIL
		47486	ANE
		46574.98	MUL
DFN	VL0612	94758.16	SOL
		29786.3	HKE
		14817.35	SPC
		14707.72	CTC
		14662.55	SBG
DTS	VL2440	202852.8	HKE
		126435.6	NEP
		104931.9	DPS
DTS	VL1824	244609.1	HKE
		162866	MUT
		125466.1	DPS
DTS	VL1218	608812.4	MUT
		413989.9	HKE
		239441.1	OCM
DTS	VL0612	183804.2	MUT
		130897.4	HKE
		124672.6	OCM

Table 5: Catch composition per fleet segment for the most important fleet segments

2.3 Development in fleets

As Croatia has been a member of the EU since July 1st 2013, the fleet measures under the applicable rules of the common fisheries policy have only been in place for a short time. The capacity ceiling has been fixed by way of Regulation (EU) 1380/2013. Under these circumstances, there are no data currently at disposal to compare with relevant provisions or trends. Furthermore, scrapping measures are foreseen in the OP for the EFF, with the target values set for PS and DTS gear groups at a reduction of 5% in terms of GT and kW. The target date for achieving these results is end of 2015.

2.4 Management plan for sardine and anchovy in GSA 17

In 2013 a multiannual plan for small pelagic species in GSA 17 was adopted in the framework of the GFCM. The GFCM Recommendation (GFCM/37/2013/1) on a multiannual management plan for fisheries on small pelagic stocks in the GFCM-GSA 17 (Northern Adriatic Sea) and on transitional conservation measures for fisheries on small pelagic stocks in GSA 18 (Southern Adriatic Sea) came into force in October 2013. This plan stipulates certain effort measures that are directly linked with the level of exploitation of small pelagics. The plan does not foresee any measures in terms of capacity, but restricts the capacity to one existing in 2013 for gears actively fishing for these species. Effort management measures are foreseen under the plan. The plan was further amended in 2014, setting additional effort limitations for vessels targeting anchovies and introducing additional obligations of spatial and temporal closures.

3 Section B: The impact on fishing capacity of fishing effort reduction schemes adopted under multiannual management or recovery plans or, if appropriate, under national schemes

As Croatia became the member of the EU at July 1st 2013, it has thus far not benefited from the EFF funding for permanent cessation of fishing activities. This measure is foreseen as one of the measures within the national management plans and the OP for the EFF for future actions in the area of adjustment of capacity to the availability of resources.

In 2013, Croatia has not implemented nationally any measure for withdrawal of the vessels from the fleet, but has implemented an array of measures for spatial and temporal restrictions of fleet activities (addressing effort rather than capacity).

Since October 2013 exploitation of sardine and anchovy is regulated by the management plan for small pelagic stocks in GSA17, and most recent amendments were adopted in 2014. All vessels actively fishing for anchovy and sardines in GSA17 are subject to the provisions of this plan. In terms of effort management, the vessels fishing actively for small pelagics have a limit of activity of 20 days per month with a total maximum of 180 days per year, with additional limit of 144 days for vessels targeting anchovies. The plan has entered into force in October 2013. Pursuant to the adopted plan, Croatia communicated the list of all vessels authorized to fish for small pelagic stocks. In addition, Croatia is currently preparing the National program for control, monitoring and surveillance of this plan, as per relevant obligations.

Pursuant to the national legislation in force, a diverse set of fisheries management measures is in place in Croatia, including: temporal and spatial restrictions for certain fishing gears; engine power restrictions in certain areas and temporal and spatial restrictions and closures for certain species during their spawning periods. Restrictions are permanent in some areas, and some restrictions cover significant parts of internal waters and territorial sea. In line with scientific advice, trawling is under strict temporal and spatial restriction regime, particularly in internal waters.

For the purpose of managing of resources in line with the provisions of the Council Regulation (EC) No 1967/2006, management plans were adopted for purse seines and trawl nets in 2014. Both these documents contain provisions on future developments in effort management for these gears.

4 Section C: Information on the compliance with entry/exit scheme

Croatia did not have a capacity ceiling as per the relevant EU legal instruments prior to the accession. However, its capacity was initially fixed at the levels as at the date of accession. The capacity was fixed in the framework of the Common Fisheries Policy reform, with the Regulation (EU) 1380/2013. Croatia fully complied with the requirements of fleet policy during the second half of 2013.

5 Section D: Summary report on the weaknesses and strengths of the fleet management system together with a plan for improvements and information on the general level of compliance with fleet policy instruments

5.1 Summary of weakness and strengths of fleet management system

With a limited time of application of the EU fleet policy in Croatia, it is difficult to assess the strengths and the weaknesses at this point. However, in general it can be stated that the overall fleet management has been strengthened and improved over the last few years. In the case of Croatia, this particularly relates to the fleet management measures as they were adopted under the GFCM and ICCAT.

Within the framework of ICCAT, Croatia has since 2009 significantly reduced the active capacity for bluefin tuna fisheries to meet the available opportunities. The obligations stemming from Croatia's membership in the GFCM have also meant that fleet data have improved significantly.

In 2013, Croatia also started implementing the DCF in line with the applicable rules. Another key element in the fleet management is the adoption of two management plans in 2013, the one for purse seines and the one for bottom trawlers. These documents contain numerous provisions on future effort reduction and fleet management. Also, the implementation of the OP for the EFF is expected to have a positive result in terms of fleet management.

The fleet management in Croatia has always been based on effort management rather than capacity management by itself. The effort is being regulated through numerous technical provisions as well as through a complex set of temporal and spatial prohibitions and closed areas.

Given the fleet structure of Croatia, whereby the largest share of active vessels use fixed nets and similar gears, it is strongly believed that capacity measures might not be the right option for these segments. This fleet operates locally and only part-time, which in terms of fleet management does not necessarily mean that the capacity can be matched with the resources easily.

Croatia has adopted the basic rules for entry/exit scheme, but still needs to improve some elements of fleet register to fully match the EU requirements and be able to fully implement existing rules. This relates among other things to fleet segmentation in the register.

As Croatia had a very specific problem of having a category of a non-commercial fishery prior to accession that needed to be "transferred" to the commercial category, the issue of licencing and inclusion of all these vessels in future analysis will have to be tackled. It should be pointed out that all these vessels fall under the fixed nets gear segment, but that they are not full-time engaged in the fishery and that most of them remain inactive. As the licences in Croatia are issued for an indefinite time (no provisions on withdrawal if vessel inactive), this issue shall also have to be considered. Croatian national laws foresee the possibility of a vessel being erased from the register, but need to be further developed.

Since resources in the GSA 17 are exploited by fleets of different member states, it is considered that closer sub-regional approach shall be needed in order to achieve the balance of the fleets, particularly in small pelagic fisheries and in bottom otter trawl fisheries. A long cooperation at the level of science exist at the level of GSA 17, and the administrations of the 3 MSs have been closely cooperating recently in development of the discard plan for small pelagic species in GSA 17.

Further efforts should also be invested into clearer picture of stock distributions, in particular if sub-stocks have been identified, as overall assessments have been made at the level of GSA 17 and GSA 18 jointly for some species. This can have an effect on future assessments of sustainable harvest indicators, which may be linked with general assessment of balance of fleets to the resources. Also, it is believed that effort management measures and technical measures may be a more suitable tool in achieving the sustainable levels of exploitation at the level of GSA 17.

5.2 Plan for improvements in fleet management system

With the adoption of management plans for purse seines and bottom trawls, it has become possible to issue authorizations based on track record and activity in certain fisheries. Croatia shall implement these measures as essential elements of the management plans. Issuance of authorizations per specific and more stringent conditions shall in effect decrease the number of vessels in some segments. It may not however significantly decrease the number of active vessels, but these shall be addressed through the scrapping measures that are implemented under the current OP and are envisaged for implementation under the EMFF. Croatia also intends to further develop the national legal framework in terms of application of the entry-exit scheme.

5.3 Information on general level of compliance with fleet policy instruments

Croatia in general complies with the fleet policy instruments.

6 Section E: Information on changes of the administrative procedures relevant to the management of the fleet

No specific administrative changes with respect to the management of the fishing fleet took place in 2013.

7 Section F: Future additional national management measures for the limitation of the fishing effort

Apart from the capacity reduction measure in a form of permanent cessation of fishing activities as foreseen by the management plans for purse seine net "srdelara" and bottom trawl nets to be implemented based on OP 2007-2013, Croatia operates a wide range of effort management measures, through a complex system of temporal and spatial restrictions as well as gear restrictions.

According to the national legislation in place, Croatia has stopped issuing new fishing licences in 2008. It is possible to transfer the licence from one vessel to another, with capacity restrictions. As per the provisions of the management plans adopted, and in accordance with the obligations stemming from the GFCM multiannual plan for small pelagics in GSA 17, Croatia has initiated the process of authorizing bottom trawlers and purse seiners. Namely, Croatian national licensing system did not contain the specific authorization for activities, which is now the case. By limiting the number of authorizations, Croatia expects to achieve further reductions in fishing effort.

A biological rest-period (closed season in the winter period) for small pelagic species (sardines and anchovies) has been in place in Croatia since 2006. In 2015, this period is envisaged to be extended for additional 15 days. In accordance with the GFCM Recommendation, additional temporal closures are envisaged in May 2015.

In terms of bottom trawling, Croatia already operates a rather strict regime of temporal and spatial closures in internal waters in particular (channel areas). Revision and a possible increase of these

areas are being considered, together with introduction of a rest period (closed season) during a part of the year.

Given the importance of Jabuka pit (central Adriatic) as a spawning and nursery area, considerations for a specific management regime in this area are underway. The management regime in question concerns bottom trawl activities.

8 Section G: Balance indicators

This section contains the indicators as they have been calculated by STECF for Croatia. However, it should be taken into account that due to the specific situation of Croatia and its accession in 2013 some of them should be considered with certain reserves. This particularly relates to technical and economic indicators. Namely, Croatian fisheries in some fleet segments include a variety of gears that were grouped in accordance with the DCF methodology, but in reality operate on highly seasonal and local basis with differing operational patterns. In these segments (DFN, HOK, MGO, for example) socio-economic constraints and realities are particularly important, as these activities include primarily small vessels operating in coastal waters. Also, technical and economic indicators were calculated based on a 5-year methodology, whereas for Croatia data were not available prior to 2011.

8.1 Technical indicator

The Inactive Fleet Indicator

The results of the Inactive Fleet Indicator show that over the years around 35% of Croatian fleet was inactive. Almost all of these vessels are shorter than 12 meters (1449 in 2013), and half of those is less than 6 meters (744). With the structure of the fleet in mind, it can be assumed that high majority of these inactive vessels have passive gears listed in their licenses (gillnet and trammel net fleet segments). If considering the percentage of GT (which is usually used for assessing effort of passive gears) it can be observed that the percentage is far less than 20% for high majority of inactive vessels. The segment that differs and increases the percentage in terms of GT is the one between 24 and 40 meters. This accounts for less than 1% of the total fleet, and based on the GT indication is assumed that covers mainly active gears.

Although the inactivity may indicate that there is a structural overcapacity in the fleet, it should be noted that most of the vessels less than 12 meters operate only part time and rarely present the only source of income of the fishermen.

It should also be pointed out that in accordance with the Croatian national legal system there is no obligation of activity of the vessel. The licence issued is given under certain conditions but does not involve the obligation of a minimum activity. Furthermore, Croatian national legal system allows for a temporary inactivity while the rights stemming from the licence are not withdrawn. It should also be pointed out that overall economic trends (fuel prices, for instance) also contribute to inactivity in some segments.

Fleet segment		Number of vessels			no. inactive vessels as % of total vessels			Inactive kW as % of fleet kW			Inactive GT as % of fleet GT		
		2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
INACTIVE	VL0006	493	655	744	12,60%	15,50%	17,00%	2,60%	2,50%	2,70%	1,23%	1,46%	1,55%
INACTIVE	VL0612	470	614	705	12,00%	14,50%	16,10%	13,20%	12,90%	14,90%	4,24%	5,21%	5,86%
INACTIVE	VL1218	62	90	101	1,60%	2,10%	2,30%	3,40%	3,80%	4,30%	2,71%	3,64%	3,83%
INACTIVE	VL1824	20	25	34	0,50%	0,60%	0,80%	1,60%	1,70%	2,30%	2,37%	2,77%	3,75%
INACTIVE	VL2440	24	37	45	0,60%	0,90%	1,00%	5,20%	5,70%	6,40%	10,02%	13,64%	15,48%
National fleet		3912	4236	4368	27,30%	33,50%	37,30%	25,80%	26,60%	30,50%	20,57%	26,72%	30,47%

The Vessel Utilization Indicator

The results of the VUI based on data as compiled by STECF need to be carefully considered, since STECF applied a 5-year period of analysis. In the case of Croatia, the data was not available prior to 2011. This methodological element resulted possibly in some errors in identified trends.

With the methodological and data-availability considerations in mind, the results of the VUI indicate a most homogenous situation in the PS segments of the fleet, while the DFN, HOK, MGO (less than 12 meters) and DTS (6 to 18 meters) show a rather wide variety of activity. This can be explained by different nature and areas of operation of the vessels, as well as by different operational realities in some gears used in Croatia. The trend in DTS VL2440 is positive, indicating a certain level of homogeneousness in the segment.

Similarly as for the inactive fleet indicator, the results of this indicator need to be considered in view of fleet structure. Again, it should be noted that particularly in smaller fleet segments fishing activities do not represent the only source of income, and rarely are the main one. Due to this fact, in those segments even though the indicator shows values less than 0,7 it is considered that it is not really a sign of imbalance. This particularly holds true for FPO, HOK and MGO segments with vessels of less than 12 meters.

Fleet segment		Vessel utilisation ratio				Vessel utilisation ratio - 180 days			
		2011	2012	2013		2011	2012	2013	
DFN	VL0006	0,25	0,25	0,22	↘	0,50	0,50	0,45	↘
DFN	VL0612	0,27	0,26	0,22	↘	0,55	0,53	0,45	↘
DFN	VL1218	0,11	0,14	0,14	↗	0,15	0,23	0,24	↗
DRB	VL0612	0,29	0,24	0,52	↗	0,58	0,48	0,18	↘
DRB	VL1218	0,40	0,23	0,39	↗	0,31	0,45	0,20	↘
DTS	VL0006	0,36	0,47	0,44	↗	0,29	0,25	0,23	↘
DTS	VL0612	0,24	0,22	0,15	↘	0,32	0,28	0,27	↘
DTS	VL1218	0,18	0,17	0,16	↘	0,35	0,34	0,33	↘
DTS	VL1824	0,30	0,43	0,35	↘	0,60	0,56	0,64	↗
DTS	VL2440	0,39	0,40	0,51	↗	0,72	0,81	0,98	↗
FPO	VL0006	0,30	0,31	0,20	↘	0,34	0,36	0,38	↗
FPO	VL0612	0,42	0,40	0,20	↘	0,50	0,45	0,41	↘
HOK	VL0006	0,17	0,26	0,12	↘	0,26	0,27	0,25	↘
HOK	VL0612	0,27	0,19	0,16	↘	0,32	0,35	0,32	↘
HOK	VL1218	0,33	0,35	0,34	↔	0,14	0,15	0,16	↗
MGO	VL0006	0,19	0,17	0,17	↘	0,38	0,35	0,35	↘
MGO	VL0612	0,26	0,23	0,21	↘	0,41	0,47	0,43	↘
MGO	VL1218	0,64	0,88	1,00	↗	0,63	1,31	1,68	↗
PGO	VL0006	0,40	0,54	0,57	↗	0,40	0,47	0,39	↘
PGO	VL0612			1,00	↗			0,11	
PGP	VL0006	0,33	0,54	0,34	↘	0,14	0,17	0,21	↗
PGP	VL0612	0,44	0,34	0,28	↘	0,53	0,50	0,44	↘
PMP	VL0006	0,18	0,35	0,23	↘	0,36	0,33	0,47	↗
PMP	VL0612	0,23	0,23	0,30	↗	0,45	0,39	0,50	↗
PS	VL0006	0,46	0,36	0,38	↘	0,31	0,24	0,26	↘
PS	VL0612	0,27	0,22	0,31	↗	0,36	0,31	0,37	↗
PS	VL1218	0,28	0,24	0,25	↘	0,43	0,46	0,38	↘
PS	VL1824	0,29	0,25	0,50	↗	0,55	0,51	0,51	↘
PS	VL2440	0,43	0,29	0,71	↗	0,63	0,58	0,62	↗
PS	VL40XX	0,83	0,51	1,00	↗	0,69	0,78	0,54	↘

8.2 Biological indicators

Sustainable Harvest Indicator

As explained above, the specific situation of Croatia resulted in non-availability of data for all the years covered by the report. STECF was not able to calculate any of the indicators for years 2008 to 2010, and for the period 2011 to 2013 this figure was calculated for 5 fleet segments, including fixed nets less than 6 meters LoA, purse seines 12 to 18 meters LoA and over 40 meters LoA, as well as demersal trawl segments 6 to 12 and 12 to 18 meters LoA.

In terms of DFN fleet segment, although the biological indicator shows a discrepancy between the capacity and the status of the stocks, as the HRI is above 1 in all 3 years, it should be noted that this fleet segment is less than 6 meters LoA, using passive gears and operating in coastal waters almost exclusively. It is considered that albeit the indices show a discrepancy, this fleet segment is not in effect in imbalance, given the specific manner of operation of this fleet. As Mediterranean realities show that the fisheries are mostly composed of small units (in particular, this fleet segment contributes with less than 0.2% in total landings), this element of analysis is considered to be slightly misleading. Croatia shall continue to carefully follow the situation in this fleet segment in relation to stocks exploited.

Fleet segment		List of the stocks that are included in the indicator	Harvest rate indicator		
			2011	2012	2013
DFN	VL0006	ane-gsa17 hke-gsa17 hke-gsa18 mulbar-gsa17 mulbar-gsa18 pil-gsa17 sol-gsa17	3,462761	4,272973	3,795271
PS	VL1218	ane-gsa17 hke-gsa17 hke-gsa18 mulbar-gsa17 mulbar-gsa18 pil-gsa17 sol-gsa17	1,386512	1,366463	1,377682
PS	VL40XX	ane-gsa17 pil-gsa17	1,354106	1,338533	1,322745
DTS	VL0612	ane-gsa17 hke-gsa17 hke-gsa18 mts-gsa17 mts-gsa18 mulbar-gsa17 mulbar-gsa18 pil-gsa17 sol-gsa17	5,758226	6,128521	6,035838
DTS	VL1218	ane-gsa17 hke-gsa17 hke-gsa18 mts-gsa17 mts-gsa18 mulbar-gsa17 mulbar-gsa18 pil-gsa17 sol-gsa17	5,987359	6,215648	6,213508

Stocks-at-risk Indicator

There were no stocks at risk targeted by Croatian fleet in 2013.

8.3 Economic indicators

Return of fixed tangible assets (RoFTA) and Current Revenue Against Break-Even Revenue (CR/BER)

For Croatia, these indicators were calculated by STECF only for some fleet segments in 2 consecutive years, 2011 and 2012. Given the specific situation of Croatia, and its accession to the EU in 2013, as well as its initial participation in the DCF in 2013, it is considered necessary to verify and validate the information available. In particular, it is assessed that some revenues might have been underestimated, thus resulting in a much less favourable picture in terms of economic indicators. Also, it should be taken into account that the economic indicators were calculated on the assumption that fisheries is the key activity and takes place all year round, whereas in Croatian realities this is not the case, particularly not in smaller vessel classes and for passive and hook and line gears. For the miscellaneous gears it should also be taken into account that they group number of different gears, some of which have different fishing patterns but could not have been grouped in any other way.

Based on best available information, it seems that the demersal trawls in some segments are economically positive, excluding the 12-18 LoA segment as well as the segment above 24 meters LoA.

Purse seines less than 18 meters LoA seem to be experiencing the most economical difficulties in both indicators in 2012. The driftnet segment 6 to 12 m LoA, DFN VL0612, shows a positive trend, albeit still with negative values. This can partially be explained by the fact that these gears are active only part time of the year. The same explanation may be given for the polyvalent active gears less than 6 meters LoA segment, as these are usually vessels active only during a very limited period of time, in specified areas and on specific fishing grounds. This fishery has a very local character, and in most cases does not represent the key economic activity for the fishermen. In addition, this fleet segment comprises some of the gears used in strictly local settings (gears for collecting marine organisms which may not be categorized in any other gear group as they constitute very specific traditional activity). This is generally the case for most fleet segments of less than 6 meters LoA using small miscellaneous gears or fixed gears. Furthermore, economic indicators in the case of Croatia could not be calculated for a period longer than 2 years, which is further considered as a shortfall in using this indicator.

Fleet segment		CR/BER			RoFTA (%)	
		2011	2012		2011	2012
DFN	VL0612	-2,25	-1,89	↗	-10,0	-4,6
DTS	VL0006	0,05	-3,58	↘	-1,4	-0,6
DTS	VL0612	3,42	1,35	↘	9,1	2,3
DTS	VL1218	0,48	-1,01	↘	-4,9	-15,9
DTS	VL1824	1,04			0,3	
DTS	VL1824		1,22	↗		1,6
DTS	VL2440	-0,39	0,41	↗	-11,1	-6,1
MGO	VL0006	-30,53	-2,44	↗	-27,1	-24,7
MGO	VL0612	-0,57	-2,31	↘	-6,7	-6,3
PS	VL0612	-9,10	-7,93	↗	-47,6	-31,9
PS	VL1218	-0,19	-1,24	↘	-13,6	-33,0
PS	VL1824	1,34	1,04	↘	4,2	0,5
PS	VL2440	0,89	3,04	↗	-2,0	25,6

BER - excluding Opportunity cost of capital

RoFTA - calculated as Net profit* / (fleet depreciated replacement value); to be compared against TRP: return on risk free long term investment minus inflation where Net profit* = (Income from landings + other income) - (crew wage + unpaid labour + energy + repair + other variable costs + non variable costs + annual depreciation)

At the moment, Croatia cannot provide a more updated analysis of data and calculation of both indices. More precise information on economic indicators shall be available in 2015.

9 CONCLUSION

Although not all the data were available for Croatia and with all the possible doubts as to the applicability of some of the indicators in specific realities, it can generally be concluded that there are some fleet segments, in particular in PS and DTS gear groups, which need to be more effectively balanced with available resources. There are fleet segments for which indicators also point out to an imbalance, such as hook and line and miscellaneous active gears groups, but these fleets are considered highly local and operational in very restricted areas. As such, it might not be appropriate to use the indicators available, since averages calculated may be misleading in terms of comparison. Also, the technical and economic indicators have been calculated based on a short time series. Croatia shall follow closely these fleet segments to avoid that this situation leads to a negative impact on stocks.

ACTION PLAN

Although Croatia has only been a member of the EU since July 1st 2013, the analysis undertaken for the purposes of the first fleet report submitted under the Article 22 of the Regulation (EU) 1380/2013 indicated that there are fleet segments in which structural overcapacity may be present. This situation has been mostly identified in the following segments: PS2440, PS1824, PS1218, PS0612, DTS2440, DTS1824, DTS1218 and DTS0612. In order to bring these segments in balance with resources, Croatia submits this action plan.

Biological sustainable harvest indicator (SHI) has shown that for PS VL1218, PS VL40XX, DTS VL0612 and DTS VL1218 segments the 3-year available data indicate overcapacity. In the PS segments, these values are only slightly above 1, whereas for the DTS segments the values are higher. The HRI was not calculated for a 3-year period for other PS and DTS segments, but using the one calculated only for 2013, it can be generally concluded that the values are in the same ranges as for those where all the data were available.

Although the full analysis was not undertaken for all of these segments over the years, and although the capacity reference ceiling has only recently been set for Croatia, it is considered that PS and DTS segments would need most attention in the forthcoming years, having in mind the species composition of their landings and available scientific data. For the DFN segment, in which the same biological indicator shows overcapacity, it is considered that future analysis shall be needed in order to fully assess the values. Namely, as this fleet segment comprises only vessels less than 6 m LoA, operating seasonally and highly locally, it is considered that although the number of vessels is high and the catches low, the balance of this segment might in reality actually be higher than indicated. The fleet segments for which biological indicators show overcapacity and their values are shown in table below.

Fleet segment		List of the stocks that are included in the indicator	Harvest rate indicator		
			2011	2012	2013
PS	VL1218	ane-gsa17 hke-gsa17 hke-gsa18 mulbar-gsa17 mulbar-gsa18 pil-gsa17 sol-gsa17	1,386512	1,366463	1,377682
PS	VL40XX	ane-gsa17 pil-gsa17	1,354106	1,338533	1,322745
DTS	VL0612	ane-gsa17 hke-gsa17 hke-gsa18 mts- gsa17 mts-gsa18 mulbar-gsa17 mulbar-gsa18 pil-gsa17 sol-gsa17	5,758226	6,128521	6,035838
DTS	VL1218	ane-gsa17 hke-gsa17 hke-gsa18 mts- gsa17 mts-gsa18 mulbar-gsa17 mulbar-gsa18 pil-gsa17 sol-gsa17	5,987359	6,215648	6,213508
PS	VL0612	ane-gsa17 hke-gsa17 hke-gsa18 mulbar-gsa17 mulbar-gsa18 pil-gsa17 sol-gsa17		2,135011	1,862201
PS	VL1824	ane-gsa17 hke-gsa17 hke-gsa18 mulbar-gsa17 mulbar-gsa18 pil-gsa17 sol-gsa17			1,356918
PS	VL2440	ane-gsa17 mulbar-gsa17 mulbar-gsa18 pil-gsa17		1,351992	1,344638
DTS	VL1824	hke-gsa17 hke-gsa18 mts-gsa17 mts- gsa18 mulbar-gsa17 mulbar-gsa18 pil- gsa17 sol-gsa17			6,319707
DTS	VL2440	hke-gsa17 hke-gsa18 mts-gsa17 mts- gsa18 mulbar-gsa17 mulbar-gsa18 sol- gsa17			6,387415

In order to more effectively balance these segments with resources, Croatia intends to use EFF and EMFF funds for scrapping. The OP for EFF has been approved in 2013, and the permanent cessation measure is pending implementation. This measure is envisaged to yield results by the end of 2015.

Following the implementation of this measure, Croatia intends to use the available possibilities under the EMFF to continue addressing the issue. In addition to scrapping, Croatia intends to decrease the effort through diversification of activities, and possibly decrease the capacity through exit from fisheries without scrapping (transfer to other complementary activities).

Targeted indicative reduction in the fleet segments is provided in the table below.

Fleet segment		2013			percentage of reduction	Targeted reduction	
		Nr. of vessels	GT	kW		GT	kW
DTS	VL00-06	7	8,7	37,46	0%	0	0
DTS	VL06-12	190	1.432,14	16.505,74	15%	214,82	2475,86
DTS	VL12-18	203	3.702,51	31.000,44	10%	370,25	3100,04
DTS	VL18-24	40	2.241,99	9.942,90	5%	112,10	497,15
DTS	VL24-40	16	2.581,83	7.384,40	5%	129,09	369,22

Fleet segment		2013			percentage of reduction	Targeted reduction	
		Nr. of vessels	GT	kW		GT	kW
PS	VL00-06	3	3,38	89,15	0%	0	0
PS	VL06-12	34	230,64	3025,43	20%	46,13	605,09
PS	VL12-18	45	978,46	7338,69	10%	97,85	733,87
PS	VL18-24	54	4277,65	18352,6	5%	213,88	917,63
PS	VL24-40	67	9953,19	35941,64	5%	497,66	1797,08

The targeted reduction is expected to be achieved in 2019 (following the application of the EMFF measure for scrapping and the application of other measures aimed at exit from the fleet).

Croatia also intends to continue managing the effort deployed by its fleets, since it is considered that this approach may be more suitable for the Mediterranean realities.