



## Speech to the International Cold Water Prawn Forum 2013

Thank you for giving me the floor Mr. President (Mr. Chairman)

Distinguished Guests, Ladies and Gentlemen. It is my pleasure, on behalf of Greenland, to have the opportunity to say a few words about the Greenland shrimp industry.

I will begin by telling a little about the development of the Greenland shrimp fishery up to today, seen from a management perspective, and then look at some of the challenges we face, seen in a broader perspective.

Shrimp fishery in Greenland slowly began during the 1950s. At the time fishing was done with small private vessels - small wooden cutters - but also with larger trawlers, owned and operated by the Danish government. The Danish government conducted fishing operations because all Greenland's government services, including the administration of industrial affairs, were subject to Danish national authority.

When trawlers capable of producing "shell-on shrimps" on board were developed, the first Greenlandic-owned trawler of which was commissioned on 1 January 1978, shrimp fishing evolved at a furious pace. For this reason, an administrative separation was made between near-shore fishing on the one hand, which delivered its entire catch of shrimps for production to on-shore facilities producing cooked and piled shrimps, and, on the other hand, sea-going fishing where up to 90% of the catch was produced on board for "shell-on shrimp" export. The last 10% had to be delivered to land-based facilities in Greenland. This landing obligation was later increased to 25%.

The two sectors were also separated in terms of fishing zones, so that sea-going vessels were not allowed to fish within three nautical miles of the base line. The percentage distribution between in-shore and off-shore fishing presently stipulated by law lies at 43% for in-shore fishing and 57% for off-shore fishing.

The shrimp TAC in the waters off Western Greenland was distributed between sea-going fishing, where each vessel had an individual one-year, non-transferable quota, and near-shore fishing, which had a total quota used in so-called "Olympic fishing". In addition, quotas were allocated to foreign vessels according to agreements made between Greenland/Denmark and the nations concerned.

This was the system used in off-shore shrimp fishing until 1990 and until 1996 in in-shore fishing, when individual and transferable quotas were introduced, which are unlimited in time.

The introduction of this quota system brought sweeping changes in the fleet structure, company structure and economy of the shrimp industry.

In off-shore fishery, we went from 46 shrimp trawlers in 1990 to about 8 shrimp trawlers in 2013. In the coastal fishery, we went from more than one hundred shrimp trawlers in

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the mid-1990s to some 70 vessels in 2001 and about 30 coastal-based shrimp vessels today.

Following the biological recommendation concerning the stock in Western Greenland, which for a number of years was on a steady increase, we now unfortunately see a significant decline. From 130.000 tonnes in 2007 to 80.000 tonnes in 2013. In Eastern Greenland the recommendation until 2013 has been on a stable 12.400 tonnes for a number of years.

There is no doubt that the system with individual and transferable quotas has demonstrated its value. All surveys show that an industry which is given freest possible conditions gives the best possible economical yield, just as they'd be best prepared to absorb the natural fluctuations of market prices and resource base. The political discussion in such a management regime is to ensure the best possible yield of the resource to the benefit of society. In this connection there is much talk about resource interest. A discussion on whether, in connection with allotment of through quotas and utilization thereof, is a yield which reaches beyond the level of a regular income. If this is the case it could be manageable and relevant that a smaller or a larger part of this resource interest be charged to the owner of the resource – society at large. This discussion I know, is also being conducted in other countries.

In Greenland there has been a resource interest in existence since 1983. It has fluctuated significantly over the years, and with varying success. Seen from a political perspective, a resource interest is a difficult discussion to uphold towards a competitive trade. It is a balance between refraining from creating obstructions to your own trade, which would lessen competitiveness towards foreign competitors, and simultaneously distribute the benefits yielded from the resources of the country.

Within the Greenlandic shrimp trade, we also face further future challenges. Challenges, of which many are global in character. I wish to especially mention the development of the market-prices. Since it seems that shrimp no longer has any significant status among the consumers, shrimps are often subject to be offered as loss leaders in the super market chains. In this instance we from Greenland desire a strengthening of status of profile and market for the wild cold water prawn, since we of course are of the opinion that this product is unique and deserve a special position in the market, hence acquire a favorable price in the market. The cold water prawn can be an instrument in optimally branding the Northern Atlantic. It is with great pleasure that I have noted that the Western Greenlandic shrimp fisheries have obtained MSC certification. This has been a long process which, among other things, on the political level has resulted in the adoption of a management plan for shrimp fisheries in 2010. The management plan was prepared through a co-operation between biologists, the fisheries industry and the Central Administration. The management plan ensures that the shrimp fisheries be conducted in a sustainable and transparent manner, which I find extremely positive. Following the Western Greenlandic MSC certification, I have received multiple positive reactions from the Greenlandic export companies. That is a source of great joy for me, since export of shrimp amounts to a very significant share of the collective Greenlandic export earnings. Much further than that of Canada, which also is a significant player on the international market for cold water prawns.

In proportion to MSC certification there are also other types of fisheries which is the focus of our attention. Hence, we closely watch the biological statements that the cod stock is on the increase, and we also closely watch the statements of marine scientists

concerning rising sea temperatures in Greenland waters. Both factors can influence the shrimp-stock. In this regard, I can inform you that a short while ago a three year management plan for sea going cod fisheries was adopted. Simultaneously we also note that a very compelling development within the pelagic fisheries in Eastern Greenland. Especially with mackerel where we - this year in particular - witness very significant amount of catches.

It is commonly known, however, that shrimp fisheries is the single-most important fisheries resource in Greenland, and as earlier mentioned yields the greatest amount in exports. Due to this reason, it is also with great interest that I look forward to hearing from others in this gathering on how other countries view the development of the shrimp fisheries and the market for shrimp. It is important that the countries and the businesses that are players in the cold water prawns cooperate. International Cold Water Prawn Forum is a good example of such cooperation.

With these few words I would like to thank you for inviting me here today, and I look forward to a continued exciting meeting.