



REPUBLIC OF CYPRUS

**MINISTRY OF AGRICULTURE
NATURAL RESOURCES
AND ENVIRONMENT**



**DEPARTMENT OF FISHERIES
AND MARINE RESEARCH
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**CYPRUS ANNUAL REPORT ON
EFFORTS DURING 2014 TO ACHIEVE A SUSTAINABLE BALANCE BETWEEN
FISHING CAPACITY AND FISHING OPPORTUNITIES**

Prepared in accordance with Commission Regulation (EU) 1013/2010

v.2

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Introduction

Article 22 of Regulation (EU) No. 1380/2013 and Article 13 of Commission Regulation (EC) 1013/2010 provide for the submission of an annual report by the Member States on their effort during the previous year to achieve a sustainable balance between fishing capacity and fishing opportunities.

The structure of the present report is based on the required elements specified in Article 14 of Regulation 1013/2010, in accordance with the new Guidelines¹. The relevant advice of STECF (STECF-15-02 reviewing EWG 14-12 and EWG 14-21) has also been taken into account for the preparation of the report.

The submission of the Report on fishing capacity in accordance with Article 22(2) of Regulation (EU) No 1380/2013, is an *ex ante* conditionality for receiving funding under the European Maritime and Fisheries Fund – EMFF (Regulation No. 508/2014). Following the evaluation of the 2013 Cyprus Capacity Report by STECF and the Commission, it was concluded that the Report does not meet this *ex ante* conditionality, although it received the maximum points for inclusion and 29/30 points for quality of the required elements in the report. Cyprus was requested to implement an “**Action Plan under Article 19 of Regulation (EU) 1303/2013 for the fulfillment of Ex-ante conditionality - Report on fishing capacity**”. This action plan is presented in **Annex I** of the present Report. The response of Cyprus to all the elements of the action plan of Annex I is provided in **Annex II**.

According to Article 14(2) of Regulation (EC) 1013/2010, “*The reports by Member State shall not exceed 10 pages*”. Due to this limitation, certain information is provided in Annexes. Since the required information to be submitted in the report is progressively increasing, we would like to suggest the removal of the 10 pages limitation from Regulation (EC) 1013/2010.

A. Description of the fishing fleets in relation to fisheries: developments during the previous year, including fisheries covered by multiannual management or recovery plans

A.(i) Description of fleets

The Cyprus fishing fleet included in the Fleet Register on the 31st of December 2014 was composed of 955 fishing vessels. **Table 1** provides information on the capacity of the different segments of the fleet, which are based on the fleet segmentation proposed by the DCF (Appendix III of Decision 2010/93/EU).

It should be noted that there are restrictions on the number of licenses provided each year in the different fleet segments, and that the Fleet Register includes a number of vessels that are not licensed. It is clarified that each license may have been given or suspended at any time during the year; therefore the total number of licenses at any given time may differ from the total number of licenses issued during the year. It is further clarified that a vessel may receive more than one license.

The terms (obligations and restrictions) for each fishing license category are provided online at the following link (in greek):

<http://www.moa.gov.cy/moa/dfmr/dfmr.nsf/AII/377DC6D5E1EC841642257D9E002F3AF2?OpenDocument>.

The vessels using *Polyvalent passive gears with length 0-< 6m and 6-< 12m* compose the small scale inshore fleet and operate mainly with bottom set nets and bottom longlines, targeting demersal species. As it is shown in Table 1, they represent the large majority of the fishing vessels in the Register (96%). Cyprus Fisheries Law² provides for a limited number of licenses for this segment annually and divides it into three (3) subcategories:

¹ COM(2014)545 final – Communication from the Commission to the European Parliament and the Council Guidelines for the analysis of the balance between fishing capacity and fishing opportunities according to Art 22 of Regulation (EU) No 1380/2013 of the European Parliament and the Council on the Common Fisheries Policy

² Basic Fisheries Law Cap. 135 and subsequent amendments of 1961 to 2007, Fisheries Regulations of 1990 to 2012 based on Article 6 of the Basic Law

vessels with fishing license category A', vessels with fishing license category B' and vessels with fishing license category C'.

The vessels with license A' or B' have basically length 6-<12m and are allowed to operate every day all year round, with a number of restriction measures on the use of fishing gears and minimum landing sizes, according to the national and community law. The main gears used are trammel nets (GTR), set gillnets (GNS) and set longlines (LLS).

The vessels with license category C', which is a category introduced by Law in 2007, are mostly 0-<6m and have a limited fishing effort. By Law, the maximum allowable working days for this category are 70 days, and can be exercised only in the weekends. There are very strict measures on the use of fishing gears. Maximum allowable length of nets is 600m, and maximum number of longlines is 2 with no more than 200 hooks each. The primary gear used is trammel nets (GTR) and the secondary gear is hand and pole lines [LHP].

During 2014 there were 827 licenses for the small scale inshore fleet. Specifically, there were 393 licenses for A & B category (33 with length 0-<6m, 360 with length 6-<12m), and 434 licenses for the C category (359 with length 0-<6m, 75 with length 6-<12m).

During 2014 two vessels received license for operating with purse seines in territorial waters, one registered as *Purse seiner* in the Fleet Register, and one registered as *Trawler*. It is noted that only one of these two vessels was active during the year (the one that is registered as *Purse seiner*).

The vessels using *Polyvalent 'passive' gears with length $\geq 12m$* range from 12-26m (the large majority from 12-18m) and are engaged in two fisheries; mainly in the large pelagic fishery using drifting longlines and operating around Cyprus waters and the eastern Mediterranean (targeting swordfish, bluefin tuna and albacore), but also in the inshore demersal fishery using mostly set nets and set longlines. A limited number of licenses are provided for this segment annually. Furthermore, closed seasons, restriction measures on the use of gears and minimum landing sizes are employed, in accordance to national and community regulations. During 2014, 22 vessels of this segment received license. In addition, 3 non-exclusive trawlers and also the purse seiner received license for operating in the large pelagic fishery with drifting longlines.

Demersal trawlers range from 22-27 m. The licensed trawlers are categorised, based on their type of license, in those fishing in the territorial waters of Cyprus and those fishing in international waters (eastern and central Mediterranean). For the trawlers fishing in territorial waters a limited number of licenses is provided every year, and an extended closed season (from 1st of June until the 7th of November) is employed. It should be noted that additional management measures for this segment were employed during 2011. Furthermore, restriction measures on the use of trawl nets and minimum landing sizes are employed for all licensed trawlers, in accordance with national and community law. As it has already been mentioned, a small number of non-exclusive trawlers may receive a license for participating at the large pelagic fishery as well. During 2014 7 trawlers received a fishing license. From these, 2 had license for fishing both in territorial and international waters, and the remaining 5 for fishing only in international waters.

Table 1: Description and development of Cyprus fishing fleet

	2014			2013			2004			Change in 2014 - 2004		
	GT	kW	No.	GT	kW	No.	GT	kW	No.	GT (%)	kW (%)	No.(%)
Vessels using Polyvalent 'passive' gears only 0-<6m	453	12,131	438	418	10,938	399	100	1,640	104	352	640	321
Vessels using Polyvalent 'passive' gears only 6-<12m	1668	22578	481	1,590	21,666	462	2,297	26,699	720	-27	-15	-33
Vessels using Polyvalent 'passive' gears only 12-<18m	494.9	3,710	25	450	3,163	23	654	6,364	36	-24	-42	-31
Vessels using Polyvalent 'passive' gears only 18-<24m	80	320	1	80	320	1	419	2,412	9	-81	-87	-89
Vessels using Polyvalent 'passive' gears only 24-<40m	108	220	1	108	220	1	208	668	2	-48	-67	-50
Vessels using Polyvalent 'passive' gears only >=40m	0	0	0	0	0	0	415	736	1	-100	-100	-100
Demersal trawlers 18-<24m	92	257	1	92	257	1	1,344	3,513	13	-93	-93	-92
Demersal trawlers 24-<40m	816	2,529	7	689	2,229	6	1,363	4,146	12	-40	-39	-42
Demersal trawlers >=40m	0	0	0	0	0	0	5,008	6,016	2	-100	-100	-100
Purse seiners 18-<24m	51	270	1	51	270	1	51	270	1	0	0	0
Purse seiners 24-<40m	0	0	0	0	0	0	135	589	1	-100	-100	-100
Total	3,763	42,016	955	3,477	39,063	894	11,994	53,052	901	-69	-21	6

Note: Situation as registered in the Community Fleet Register on 27/5/2015

A.(ii) Link with fisheries

The bottom trawl fishery in the territorial waters and the inshore fishery with polyvalent passive gears target a mix of demersal species, as it is the case in all Mediterranean demersal fisheries. The exploited stocks are not shared with other countries' fleets. Landings of both fisheries are mainly composed by *Spicara smaris*, *Boops boops*, *Mullus barbatus*, *M. surmuletus*, *Pagellus erythrinus* and cephalopods (*Octopus vulgaris*, *Eledone moschata*, *Loligo vulgaris* and *Sepia officinalis*). The inshore fishery with polyvalent passive gears catches also relatively large quantities of *Sparisoma cretense*, *Spicara maena* and *Siganus* spp.

The average landings of the bottom trawl fishery in territorial waters and the inshore fishery with polyvalent passive gears, for the period 2012-2014, were 87 t and 665 t respectively. The average landings of the main demersal commercial species of each fishery for the same period are provided in **Table 2**.

Bottom trawlers in international waters operate in the central and eastern Mediterranean, catching *Merluccius merluccius*, *P. erythrinus*, *M. surmuletus*, *M. barbatus*, *Spicara* spp., *B. boops* and cephalopods. The average landings in international waters for the period 2012-2014, according to the available data, were ~60t.

Concerning the large pelagic fishery, polyvalent vessels operate in the Eastern Mediterranean, catching basically *Xiphias gladius*, *Thunnus alalunga* and *Thunnus thynnus* with drifting longlines. *T. thynnus* is under a multiannual recovery plan, in accordance with Council Regulation (EU) No. 302/2009. The average landings of these main species for the period 2012-2014 are provided in **Table 3**.

A detailed table with information on landings by species and fleet segments in 2014 is provided in **Annex III**.

Table 2: Average landings (t) of the main demersal species in Cyprus waters for the period 2012-2014.

Species		Inshore fishery with polyvalent passive gears	Trawl fishery (CYP waters)
<i>Boops boops</i>	BOG	81	9
<i>Diplodus spp.</i>	SRG	13	
<i>Mullus barbatus</i>	MUT	10	12
<i>Mullus surmuletus</i>	MUR	25	13
<i>Octopus vulgaris</i>	OCT	36	4
<i>Pagellus erythrinus</i>	PAC	6	6
<i>Pagrus pagrus</i>	RPG	8	
<i>Sepia officinalis</i>	CTC	13	1
<i>Siganus spp.</i>	SPI	26	
<i>Sparisoma cretense</i>	PRR	24	
<i>Spicara maena</i>	BPI	18	
<i>Spicara smaris</i>	SPC	37	49

Table 3: Average landings (t) of the main species of the Cyprus large pelagic fishery for the period 2012-2014 caught by surface longlines.

Species		Landings (LLD) in tons
<i>Thunnus alalunga</i>	ALB	352
<i>Thunnus thynnus</i>	BFT	13
<i>Xiphias gladius</i>	SWO	41

A.(iii) *Development in fleets*

As shown in Table 1, from the 1st of May 2004 until the 31st of December 2014 the Cyprus fishing fleet was reduced by 69% in tonnage, 21% in power and increased by 6% in number of vessels.

During the period 2004-2014 there has been a capacity increase in the fleet segment “vessels using polyvalent gears 0-<6m” with the entry in the Register of a large number of vessels with length <6m, following the creation by Law in 2007 of a new category of small scale inshore fishing license (category C, see section A(i)). For all other fleet segments there has been a capacity reduction in terms of tonnage, power and number of vessels.

From the total exits the 13% in tonnage and 60% in power was financed with public aid and involved the destruction of 17 vessels using polyvalent passive gears (12-24m LOA), the destruction of 4 demersal trawlers and the change of activity (RET) of 2 demersal trawlers, and the destruction of 107 small scale inshore vessels (<12m, category license A&B) in 2013. Concerning the exits without public aid, the main capacity reduction appeared in the segment of demersal trawlers (18->40m).

B. Impact of fishing effort reduction schemes on fishing capacity

B.(i) *Statement of effort reduction schemes*

During 2012 the *Fishing Effort Adjustment Plan of Cyprus Small Scale Inshore Vessels* was adopted, with main measure the permanent withdrawal of small scale inshore vessels. The plan was based on the balance indicators

included in the relevant Cyprus Balance Report, as well as the available assessments of the stocks exploited by this fleet. The adjustment plan is based on Article 21 (a) of Regulation (EC) 1198/2006 on the *European Fisheries Fund* –EFF (measures as referred to in Articles 9 and 10 of Regulation (EC) No 2371/2002).

During 2014 the *Fishing Effort Adjustment Plan of the Cyprus fleet targeting demersal and mesopelagic fish stocks in the inshore zone of Cyprus Republic* was continued; this plan was adopted in 2010, and refers to the period 2010-2014. The aim of the plan is the recovery of the demersal and mesopelagic fisheries stocks of the inshore zone of Cyprus and the adjustment of the fishing fleet on the availability of these stocks, in accordance with the Common Fisheries Policy. Main measures for achieving this goal involve permanent withdrawal of vessels, use of more selective fishing techniques, reduction of fishing licenses, further restrictions on the use of fishing gears, establishment of fishery protected areas and more strict control measures. The adjustment plan is based on Article 21 (a) of Regulation (EC) 1198/2006 on the *European Fisheries Fund* –EFF (measures as referred to in Articles 9 and 10 of Regulation (EC) No 2371/2002).

The *Management Plan for the Bottom Trawl Fishery Within the Territorial Waters of Cyprus*, which is based on Article 19 of Council Regulation (EC) 1967/2006 (Mediterranean Regulation), is implemented since the end of 2011. The plan restricts the number and the fishing activity of the bottom trawlers operating in territorial waters.

B.(ii) *Impact on fishing capacity of effort reduction schemes*

During 2013, 107 small scale inshore vessels (categories A&B) were scrapped with public aid in the context of the *Fishing Effort Adjustment Plan of Cyprus Small Scale Inshore Vessels*, resulting to a capacity reduction of 299 GT and 3689 kW.

The *Fishing Effort Adjustment Plan of the Cyprus fleet targeting demersal and mesopelagic fish stocks in the inshore zone of Cyprus Republic* restricts for 5 years (2010 – 2014) the number of licenses of the vessels using Polyvalent ‘passive’ gears with length $\geq 12\text{m}$ to 22 licenses.

The national technical measures introduced in the Management Plan for the Bottom Trawl Fishery include the restriction of the number of licensed bottom trawlers to 2, and the restriction of 2 areas from fishing with trawl nets on a rotational basis (northwest part of Cyprus from 8 November – 15 February every year and southeastern part of Cyprus from 16 February-31 May every year).

C. Statement of compliance with entry / exit scheme and with level of reference

Cyprus ensures that at all times the fishing capacity in tonnage (GT) and power (kW) is equal or less than the fishing capacity at its accession date as adjusted, according to the provisions of Article 8 of Regulation (EC) 1013/2010 and Article 23 of Regulation (EU) 1380/2013.

The evolution of the fleet capacity of the Cypriot fleet (in tonnage and power) compared to its tonnage ceiling, as registered in the Community Fleet register, is provided in **Annex IV**.

D. Strength and weaknesses of the fleet management system together with plan for improvements and information on general level of compliance with fleet policy instruments

D.(i) *Summary of weaknesses & strengths of fleet management system*

The Department of Fisheries and Marine Research (DFMR) is the single authority responsible for the management of fisheries resources and fishing fleet (management measures, issue and management of fishing licenses, control of fishing activities and VMS, record of logbooks, structural funds concerning fisheries). Management measures employed refer to effort restrictions, while TACs apply only for Bluefin tuna (as in the rest of the Mediterranean countries).

Strengths of fleet management system

- Having a single authority for the management of fisheries resources and fishing fleet, as mentioned above, the following are ensured: continuous and precise update of the Fleet Register, monitoring of entries and exits, rapid and efficient evaluation of the eligibility of possible requests to increase tonnage, collection of all necessary information related with the management of the fleet, efficient effort monitoring through VMS and cross-check of effort logbook data, and efficient monitoring and inspection of Bluefin tuna catches.
- The Cyprus Fisheries Law provides for a maximum limit of fishing licenses for the different fleet segments, allowing the Director of the DFMR adjustments on the number of licenses issued year-by-year.
- Fishing licenses are linked to both the vessels and the fishermen.

Weaknesses of fleet management system

- At the moment, the Cyprus Fisheries Law provides for a short duration of fishing licenses (1-3 years), with the possibility of renewal. The evaluation of the applications for the fishing licenses, the selection and the issue of licenses require high administrative effort and are very time-consuming, considering the limited number of DFMR employees engaged with licensing. Furthermore, this short duration of licenses may not be considered secure enough by the fishermen, and may lead to an “opportunistic” fishing behavior with no long-term vision for economic sustainability.
- The absence of auction markets, the existence of many small landing sites and the fact that the majority of the fishing fleet is under 10m create difficulties in monitoring and evaluating the accuracy of the landings and fishing effort.

D.(ii) *Plan for improvements in fleet management system*

Following consultation with the stakeholders in previous years, the Cyprus Fisheries Law is under revision process, since the end of 2012. The modifications concern the criteria for obtaining a fishing license, reduction of the number of fishing licenses of the inshore small scale fleet (in accordance with scrapping schemes), multi-year duration of fishing licenses, possibility of transferable licenses, and further restrictions for the recreational fishery. The modifications aim to adjust the fishing capacity of the small scale inshore fleet, relieve administration burden on the issue of licenses, reduce the fishing effort exercised by the recreational fishery and assist the work of the control division. The modifications are still under revision by the Cypriot Legal Services.

D.(iii) *Information on general level of compliance with fleet policy instruments*

Cyprus considers a priority the adjustment of the fishing capacity of its fleet, for achieving a balance between the resources and the fishing capacity. It complies with the provisions of Article 13 of Regulation (EC) 2371/2002 (repealed and replaced by Regulation (EU) 1380/2013 from 2014), Regulation (EU) 1013/2010, Regulation (EC) 26/2004 and (EC) 1198/2006 (EFF) (replaced by on the management of entries and exits, the increase in tonnage (for improving safety, working conditions, hygiene and product quality), the collection, transmission and exchange of information and the financial support through the EMFF on the adaptation of its fishing fleet.

Specifically, Cyprus ensures that at all times the fishing capacity in tonnage (GT) and power (kW) is equal or less than the fishing capacity at its accession date as adjusted, through a continuous and precise update of the Fleet Register, evaluation of the eligibility of possible requests to increase tonnage, monitoring of entries and exits. Necessary information related with the management of the fleet are collected, for evaluating the availability of fisheries resources in relation to the active Cyprus fleet.

The intensive effort to implement the National and Community Legislation continued in 2014 in order to ensure compliance with the Common Fisheries Policy of the EU and to accomplish the best possible management of the resources.

During 2014, the decrees put into force were the Application of Community Decisions and Community Regulations that concern the Fisheries Sector, Law 134/2006 (Ninth Modification of Annexes of Law - Decree 51/2014). In Decree 51/2014, the new Regulation (EE) no. 1380/2014 regarding the Common Fisheries Policy was included. At the same time, decree 403/2014 was put into force regarding the point system for serious

infringements. Additionally, proposals for regulations concerning the reform of the legislation for fisheries and fishing shelters were prepared and now are under the process of legal scrutiny.

During the year, monitoring of fishing activities via VMS was successfully carried out by the Fishing Monitoring Center (FMC). The automatic VMS data exchange with the other MS, the EC, the EFCA (European Fisheries Control Agency) and the NEAFC (North East Atlantic Fisheries Commission) was successfully continued in 2014. Electronic Reporting System is compulsory for the fishing vessels with length more than 12m and for the registered buyers with an annual financial turnover in first sales of fisheries products of more than EUR 200,000. The FMC is monitoring the fishing activities of the vessels via ERS and when there is a need, the VMS data are crosschecked with the ERS data. During the year, DFMR has successfully exchanged ERS data with the EU and the EFCA.

During 2014, DFMR Inspectors made 339 patrols along the coast, in harbours and fishing shelters, at selling / storage facilities of fishery products and to inland waters and 151 patrols at sea. Within the framework of the Joint Deployment Plan for the conservation of Bluefin tuna fisheries DFMR conducted 29 patrols at ports regarding polyvalent vessels that fished using longlines and another 10 patrols were performed at sea regarding the same fleet. Furh

Furthermore, in 2014 DFMR carried out 543 inspections and 2086 controls for compliance purposes with the National and Community Legislation.

Within the year 2014 DFMR reported 257 Infringements, of different categories of offenses.

E. Information on changes of the administrative procedures relevant to the management of the fleet

As mentioned also in section D (ii), the Fisheries Law is under amendment, among others for modifying the management system of limited licenses (criteria for obtaining a fishing license, duration and transferability of fishing licenses).

During 2014 there were no changes of the administrative procedures.

F. Estimation and discussion of balance indicators

Given the 10 pages limitation of the report, the extent of the indicators and the new comments and proposals made by STECF-15-02 on the use of indicators, information on the estimation of indicators and relevant discussion are provided in **Annex V**.

G. Statement of MS opinion on balance of fleet capacity and fishing opportunity

Based on an overview of the estimated balance indicators in traffic light system, the fishing capacity of the different fleet segments in relation to the fishing opportunities is as follows:

- Demersal trawlers operating in both CY and international waters are fully utilized, with, in average, an SHI slightly above 1; this is because the main species exploited by the fleet (*Spicara smaris* in GSA25) is fished sustainably. Both economic indicators show over-capitalization, but with a positive trend (it is noted that the economic indicators are common for all trawlers, including trawlers operating exclusively in non-Union waters). It can be suggested that the fleet is in balance with the resources it exploits.
- The vessels with polyvalent passive gears 0-<12m (small scale inshore fishery with category licenses A&B) seem to some extent underutilized, suggesting a technical overcapacity. The estimated SHI suggests that the fleet relies on stocks that are overfished; the stocks contributing to the indicator reach almost 30% of the value of landings, including the most important species for the segment (*Boops boops*). The RoFTA regarding the fleet segment 6-12m is negative but with positive trend, indicating

economic over-capitalization, while the fleet segment 0-6 m is low. The ratio CR/BER for the fleet segment 6-12m is positive but lower than 1, showing that the income is not enough for covering the costs. The ratio CR/BER for 0-6m, though, suggests that the segment is profitable; however this result should be treated with caution, because of the high difference from previous years and the fact that the information is based only on questionnaires, due to the absence of financial accounts and logbooks. In overall, the available scientific information indicates that this fleet segment is in imbalance, and that an action plan is required.

- The vessels with polyvalent passive gears 12-18m show a heterogeneous activity, which is considered to exist due to the different fisheries exercised by the fleet, rather than due to a technical overcapacity. The SHI suggests that the fleet relies on sustainably exploited stocks (BFT); however the low contribution of the relevant stocks in the value of landings cannot strongly support this result. Both economic indicators reveal an economic over-capitalization; they both suggest though a positive trend. In conclusion, the estimated indicators do not suggest that this fleet segment is in imbalance with the resources.
- Demersal trawlers exclusively operating in non-Union waters are under-utilised; however, this is not considered an indication of technical overcapacity, taking into account the small number of licensed vessels, and the possibility of the fleet to exploit a variety of stocks all over the Mediterranean Sea (international waters). No information can be provided by the biological indicators, since they are not meaningful due to the very low coverage of stocks assessed. The economic indicators, estimated for all trawlers, show over-capitalization but with a positive trend. The reason for clustering all trawlers (including those exclusively operating in non-Union waters) is explained in Annexes II& V. In conclusion, there is not sufficient information to suggest whether this fleet is in balance.

H. Action Plan

This action plan sets the adjustment targets and tools to achieve a balance for the vessels with polyvalent passive gears 0-<12m (small scale inshore fishery with category licenses A&B). As indicated in section G, the causes of the imbalance have a biological, economic and technical background. The target is to achieve balance of the fleet by 2020, with basic tool for achieving it the permanent cessation of fishing activities, through the withdrawal of fishing vessels from this fleet. It is worth mentioning that the measure of permanent cessation started being implemented under the previous programming period (2007-2013), during which a number of 107 small scale inshore vessels were withdrawn; the aim is to complete this measure under the new programming period, with the withdraw of additional 55 vessels. In total, with the completion of the measure of permanent cessation, a reduction of at least 30% of the small scale inshore fleet is expected.

The methodology and the rational used for establishing the number (55 vessels of polyvalent passive gear vessels 00-12m to be scrapped), which was based on data provided in the 2013 Report, is provided in Annex II of the current report.

In parallel, modification of the national fisheries law is underway, in which the maximum number of licenses for the small scale inshore fishery are reduced in number equal with the number of licenses already removed through previous cessation plans. Provisions are also included for a further reduction of the maximum number of licenses, in accordance with the number of licenses to be removed in the following cessation plans. The Fisheries Law allows additionally the Director of the DFMR to restrict the quantities, size and type of fishing gears used by each fleet segment; this provision allows immediate further restrictions, in case they are considered necessary for achieving the management targets.

The time-frame for the implementation of the action plan is as follows:

- By end of 2017 completion of the measure of permanent cessation of fishing activities, with the withdraw of 55 small scale inshore vessels
- Annual evaluation of the fishing capacity of the small scale inshore fleet based on the common guidelines
- Following the completion of the measure, and based on the annual evaluations, possible inclusion of further management measures for achieving balance of the fleet by 2020.

ANNEX I

ACTION PLAN under Article 19 of Regulation (EU) 1303/2013 for the fulfillment of Ex-ante conditionality - Report on fishing capacity

Cyprus

The Cypriot authorities Department of Fisheries and Marine Research are formally committed to implement the following action plan:

1. To submit the Report on the Balance between fleet capacity and fishing opportunities referred to in Article 22(2) of Regulation (EU) 1380/2013, for the year 2014, at the latest by 31 May 2015.

Within the above mentioned report:

- To complete the analysis carried out in the Report for 2013 by analyzing, assessing and concluding also on the balance for the following fleet segments DTS 24-40m, and DTS 18-24m (OTB18-24), fishing only in international waters.
- To address and explain in detail any inconsistency in the number of vessels between the fleet report and the fleet register on the one hand, and the data to be provided for the Annual Economic Report for 2015 on the other.
- The inconsistencies in the number of vessels between the Report on balance for 2013 (which match with these in the fleet register for 2013) and the data for 2013 included in the Annual Economic Report for 2014 have also to be explained.
- To better distinguish throughout the report between polyvalent passive gear vessels 06-12m (fishing licenses category A and B) and the polyvalent passive gear vessels 00-06m (fishing licenses category C) and if the latter category which appears to be in balance is covered by the action plan included in the 2013 report.
- To explain the methodology and the rational used for establishing the number (55 vessels of polyvalent passive gear vessels 00-12m to be scrapped. In the same vein, the Cypriot authorities are requested to explain how the 30% figure referred to in the Action Plan CFP included in the Report on Balance for 2013 was calculated.
- To prepare an action plan in line with Article 22 (4) of (EU) Regulation 1380/2013 (Action Plan Common Fisheries Policy) for all segments for which the assessment will demonstrate that the fishing capacity is not effectively balanced with fishing opportunities.

2. The Cypriot national authorities shall endeavor to enact the Fisheries Law which, according to Section D(ii)) of the Report on Balance for 2013 (page 5), is currently under revision by Cypriot Legal Services.

ANNEX II

CYPRUS IMPLEMENTATION

of the

ACTION PLAN under Article 19 of Regulation (EU) 1303/2013 for the fulfillment of Ex-ante conditionality - Report on fishing capacity

1. Cyprus has submitted the Report on the Balance between fleet capacity and fishing opportunities referred to in Article 22(2) of Regulation (EU) 1380/2013, for the year 2014, within the deadline of 31 May 2015.

The following are addressed, in accordance with the Action Plan:

- *Complete the analysis carried out in the Report for 2013 by analyzing, assessing and concluding also on the balance for the following fleet segments DTS 24-40m, and DTS 18-24m (OTB18-24), fishing only in international waters.*

During 2012 there have been 6 active vessels for the fleet segment DTS (24-40m and 18-24m), where “active” is defined by Decision 2010/93/EU - Chapter I.1.(a). Only **two** of them fished only in international waters; for confidentiality reasons these vessels cannot be reported separately concerning the Report for 2013.

The issue on confidentiality and clustering of segments is mentioned in the Guidelines for the preparations of DCF National Data Collection Programmes and the submissions of their relevant Annual Reports. The clustering of segments due to confidentiality reasons is also mentioned by EWG-14-12 Group.

During 2013 there have been 5 active vessels for the fleet segment DTS (24-40m and 18-24m), where “active” is defined by Decision 2010/93/EU - Chapter I.1.(a). Only **one** of them has fished only in international waters; for confidentiality reasons this vessel cannot be reported separately in the Cyprus Report on Balance for 2014.

- *Address and explain in detail any inconsistency in the number of vessels between the fleet report and the fleet register on the one hand, and the data to be provided for the Annual Economic Report for 2015 on the other.*

The Report on the Balance for 2014 refers to the Cyprus fishing fleet included in the Fleet Register on the **31st of December** 2014; therefore, there is consistency between the Balance Report and the Fleet Register for the given date.

The Annual Economic Report for 2015 will be based on the data that have been submitted by MS through the 2015 Official Fleet Economic Data Call. In accordance with the DCF legislation (Decision 2010/93/EU, Chapter III.A.1.1), “*The population is all vessels in the Community Fishing Fleet Register on the 1st of January*”, not the 31st of December, of the relevant year (2014).

In the Decision 2010/93/EU (Chapter I.1.(a)), the following definition is given:

“Active vessels: vessels that have been engaged in any fishing operation (more than 0 days) during a calendar year. A vessel that has not been engaged in fishing operations during a year is considered ‘inactive’.

The above definition of “active vessels” does not apply for the Fleet Register, since the Fleet Register is not linked with the fishing effort of the registered vessels.

Due to the above, there could be inconsistencies in the number of vessels between the fleet report and the fleet register on the one hand, and the data provided for the Annual Economic Report for 2015 on the other.

- *Explain the inconsistencies in the number of vessels between the Report on balance for 2013 (which match with these in the fleet register for 2013) and the data for 2013 included in the Annual Economic Report for 2014.*

The Report on the Balance for 2013 refers to the Cyprus fishing fleet included in the Fleet Register on the **31st of December** 2013; therefore, there is consistency between the Balance Report and the Fleet Register for the given date.

The Annual Economic Report for 2014 was based on the data that were submitted by MS through the 2014 Official Fleet Economic Data Call. In accordance with the DCF legislation (Decision 2010/93/EU, Chapter III.A.1.1), “*The population is all vessels in the Community Fishing Fleet Register on the 1st of January*”, not the 31st of December, of the relevant year (2013).

In the Decision 2010/93/EU (Chapter I.1.(a)), the following definition is given:

“Active vessels: vessels that have been engaged in any fishing operation (more than 0 days) during a calendar year. A vessel that has not been engaged in fishing operations during a year is considered ‘inactive’.

The above definition of “active vessels” does not apply for the Fleet Register, since the Fleet Register is not linked with the fishing effort of the registered vessels.

Due to the above, there were inconsistencies in the number of vessels between the Report on balance for 2013 (which match with these in the fleet register for 2013), and the data for 2013 included in the Annual Economic Report for 2014.

- *Better distinguish throughout the report between polyvalent passive gear vessels 06-12m (fishing licenses category A and B) and the polyvalent passive gear vessels 00-06m (fishing licenses category C) and if the latter category which appears to be in balance is covered by the action plan included in the 2013 report.*

In Section A.(i) - Description of fleets of the current 2014 report, Cyprus makes effort to distinguish better the polyvalent passive gear vessels 06-12m (fishing licenses category A and B) and the polyvalent passive gear vessels 00-06m (fishing licenses category C). It is clarified that the latter category is not covered by the action plan included in the 2013 report.

- *Explain the methodology and the rationale used for establishing the number (55 vessels of polyvalent passive gear vessels 00-12m to be scrapped. In the same vein, the Cypriot authorities are requested to explain how the 30% figure referred to in the Action Plan CFP included in the Report on Balance for 2013 was calculated.*

The methodology and rational used for estimating the required percentage of effort to be reduced for achieving balance between the fleet segment *polyvalent passive gear vessels 00-12m* (categories A&B) and the stocks it exploits are the following:

Table 1 below presents the validated results (F/Fmsy) from the stock assessments made on stocks of GSA 25 that were used in the 2013 Fleet Report for the calculation of the SHI indicator. Based on the percentage of the catches of the assessed stocks by the fleet segment *polyvalent passive gear vessels 00-12m* - categories A&B (values c in Table 1), the weighted average of F/Fmsy was calculated for the period 2011- 2013. As it can be seen from the table, the weighted average of F/Fmsy is never shown to be less than 1.3. It can be concluded by this that measures should be taken to decrease fishing mortality on the stocks of at least 30%. This may be achieved by reducing fishing effort of this fleet segment, in terms of capacity or other measures.

Table 1: Ratio F/Fmsy for the stocks assessed and caught by *polyvalent passive gear vessels 00-12m* - categories A&B, with information on percentage of catches of these stocks (2011-2013). Ratios F/Fmsy are based on stock-assessment results included in 2013 Fleet Report).

Period	Stock	F/Fmsy (a)	% of catches of stock in the overall catch of the fleet segment (b)	% of the stock caught by this fleet segment (c)
2011	BOG-GSA25	1.54	10.3%	87.9%
	MUR - GSA25	1.83	3.7%	92.0%
	SPC - GSA25	0.26	5.5%	51.2%
	MUT - GSA25	1.3	1.4%	54.7%

2011 weighted average (a,c):	1.35805
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Period	Stock	F/Fmsy (a)	% of catches of stock in the overall catch of the fleet segment (b)	% of the stock caught by this fleet segment (c)
2012	BOG-GSA25	1.54	12.9%	91.3%
	MUR - GSA25	1.83	3.6%	92.7%
	SPC - GSA25	0.26	10.1%	64.6%
	MUT - GSA25	1.3	1.1%	54.0%

2012 weighted average (a,c):	1.312735
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Period	Stock	F/Fmsy (a)	% of catches of stock in the overall catch of the fleet segment (b)	% of the stock caught by this fleet segment (c)
2013	BOG-GSA25	1.54	10.80%	99.9%
	MUR - GSA25	1.83	3.80%	89%
	SPC - GSA25	0.26	1.60%	12%
	MUT - GSA25	1.3	2.20%	49.64%

2013 weighted average (a,c):	1.535192
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Rational for reducing capacity of polyvalent passive gear vessels 00-12m - categories A&B as measure for reducing fishing effort

1. There are a number of national management measures in force concerning *polyvalent passive gear vessels 00-12m - categories A&B*, in addition to the ones imposed by EU legislation:

- Increased minimum mesh size of all types of nets was introduced from 2011, from 32mm (open mesh size) to 38mm.
- Restrictions on the use of monofilament nets
- Maximum length of nets for boats with license B, independently of the number of fishermen on-board: 3000m.
- Maximum length of nets for boats with license A: 4000m in the case of one fisherman, 5000m in the case of second or third fisherman on-board.
- Restrictions on the time and duration of fishing, depending on type of nets and area.

2. As shown in the figure below, there is a clear negative trend in landings of coastal species during the period 1985-2013, as well as the relevant values of Landings per Unit Effort (LPUE), where effort is provided in fishing days. Vessels in this segment have a similar polyvalent activity, with nets being the predominant gear. Daily catches are in average low, with high number of species caught.

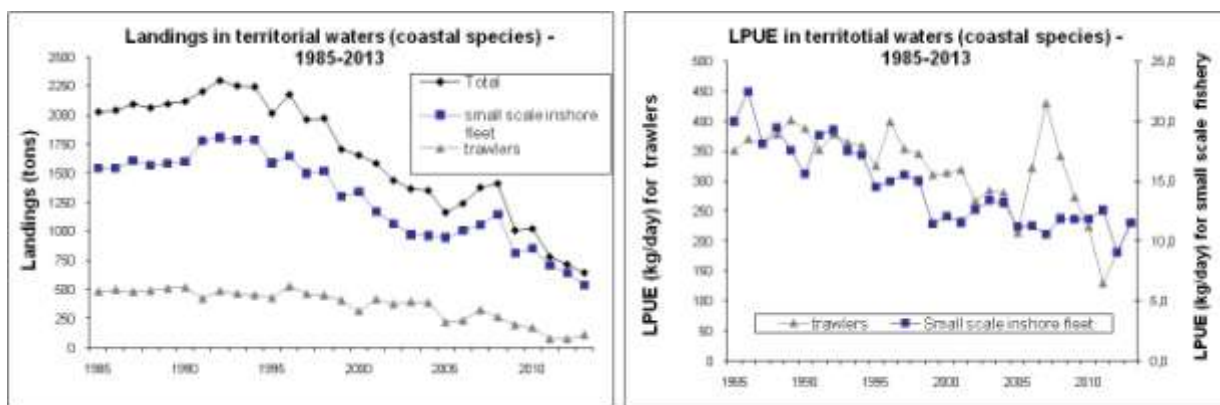


Fig.1: Landings and LPUE of coastal species in territorial waters for the period 1985-2013

3. There is an increased presence of non-indigenous (Lessepsian) species, with negative effects on the ecosystem and fisheries.

4. The income of small scale fishermen is estimated to be low. This fleet segment is of high socio-economic importance, and there is the need to ensure its sustainability

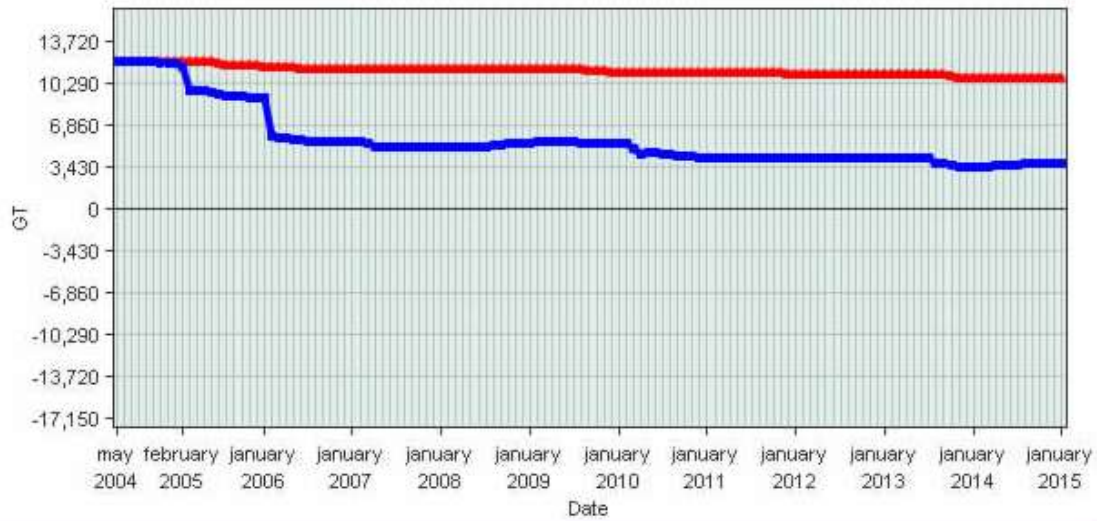
Considering the above, it was decided that the estimated required reduction of fishing mortality caused by the small scale fleet segment (A&B category) by at least 30% should be better achieved with capacity reduction of the fleet segment, instead of additional restrictive measures of fishing effort. Taking into account that a maximum number of 500 licenses is provided by Law to this segment, an at least 30% reduction in capacity, in terms of number of vessels, equals with about 150 vessels. By having already withdrawn 107 vessels during 2013, under Operational Programme 2007-2013, and considering that the measure of scrapping will not be eligible after 2018, it was decided to withdraws additionally 55 vessels, reaching at least 30% reduction.

ANNEX III

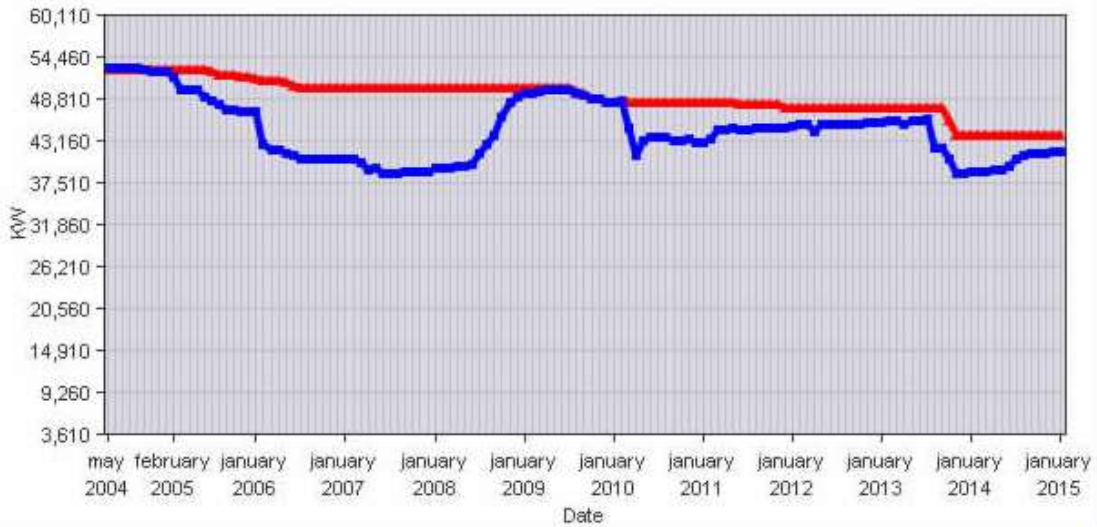
Estimated Capture Production for 2014 (in Kg)											
Species	Bottom Trawl Fishery			Small Scale Inshore Fishery (length <12m)			Polyvalent Fishery (length ≥12m)			Purse seine Fishery	Total Production
	Cyprus waters	International Mediterranean Waters	Total	A&B Category	C Category	All Categories	Surface Longlines	Nets / Set Longlines	All gears		
<i>Thunnus alalunga</i>	ALB		0	5,593		5,593	392,224		392,224		397,817
<i>Seriola dumerili</i>	AMB		0	5,729	1,581	7,310		37	37		7,347
<i>Echelus myrus</i>	AOM	27	67	94	998			10	10		1,102
<i>Engraulis encrasicolus</i>	ANE		0	511		511			0		511
<i>Diplodus annularis</i>	ANN		5	303	233	536			0		541
<i>Sphyræna spp.</i>	BAR	16	2	18	2,624	1,039		2	2		3,683
<i>Thunnus thynnus</i>	BFT		0			0	3,630		3,630		3,630
<i>Boops boops</i>	BOG	5,952	2,911	8,863	94,515	2,651		3,561	3,561	50	109,589
<i>Sarda sarda</i>	BON			0	11,902			40	40		11,942
<i>Spicara maena</i>	BPI	4		4	18,471			22	22		18,497
<i>Spondyliosoma cantharus</i>	BRB		20	20	248				0		268
<i>Helicolenus dactylopterus</i>	BRF	3		3	33				0		36
<i>Dicentrarchus labrax</i>	BSS			0	2,971	632			0		3,603
<i>Serranus cabrilla</i>	CBR	3,723	78	3,801	75,597			671	671		80,068
Clupeidae	CLP	326	447	773	1,112			235	235		2,120
<i>Umbrina cirrosa</i>	COB		40	40	100				0		140
<i>Conger conger</i>	COE			0	12				0		12
<i>Palinurus spp.</i>	CRW			0	450			1	1		451
<i>Diplodus vulgaris</i>	CTB	19		19	2,317			17	17		2,353
<i>Sepia officinalis</i>	CTC	355	861	1,216	17,361			268	268		18,844
<i>Dentex dentex</i>	DEC	51		51	4,064			4	4		4,119
<i>Squalus spp.</i>	DGZ			0	187				0		187
<i>Coryphaena hippurus</i>	DOL			0	14			52	52		66
<i>Epinephelus caninus</i>	EFJ	384	325	709	544			69	69		1,321
<i>Centracanthus cirrus</i>	EHI	342		342					0		342
<i>Fistularia comersonni</i>	FIO			0	1,405				0		1,405
PLEURONECTIFORMES	FLX	42	68	110					0		110
<i>Phycis spp.</i>	FOX			0	221				0		221
<i>Epinephelus marginatus</i>	GPD	9	6	15	5,250			18	18		5,283
<i>Epinephelus aeneus</i>	GPW	103		103	174				0		277
Triglidae	GUJ	572	1,005	1,577	75			83	83		1,735
<i>Sargocentron rubrum</i>	HWH			0	3,998			1	1		3,999
<i>Merluccius merluccius</i>	HKE	438	78	516	2,108			19	19		2,642
<i>Siganus luridus</i>	IGU			0	5,216			21	21		5,237
<i>Trachurus spp.</i>	JAX	503	587	1,090	1,366			57	57		2,513
<i>Zeus faber</i>	JOD	216	16	232	90				0		322
<i>Synodus saurus</i>	LIX	1,685	545	2,230	1,092			127	127		3,449
<i>Euthynnus alletteratus</i>	LTA			0	801			100	100		901
<i>Scomber scombrus</i>	MAC	132	25	157	174			3	3		334
<i>Scomber japonicus</i>	MAS	129	23	152	5,435			59	59	2,170	5,645
<i>Muraena helena</i>	MMH			0	134				0		134
<i>Lophius spp.</i>	MNZ	100		100					0		100
Mugilidae	MUL			0	1,136	2,078		1	1		3,214
<i>Mullus surmuletus</i>	MUR	2,143	1,215	3,358	29,117	1,418		1,113	1,113		35,006
<i>Mullus barbatus</i>	MUT	9,233	5,947	15,180	7,672	313		5,097	5,097		28,262
Miscellaneous	MZZ		903	903	32,480	7,585		904	904		41,872
Octopodidae	OCT	1,525	1,293	2,818	35,036			449	449		38,302
<i>Pagellus erythrinus</i>	PAC	2,628	2,479	5,106	4,607			874	874		10,586
<i>Spicara spp.</i>	PIC	976	1,560	2,536	16,225	705		115	115		19,581
<i>Sparisoma cretense</i>	PRR	10		10	26,920	2,797			0		29,727
Rajidae	RAJ	96		96	1,359				0		1,455
<i>Pagrus pagrus</i>	RPG	27	110	137	8,475	129			0		8,741
<i>Etrumeus teres</i>	RRH			0	97				0		97
<i>Caranx crysos</i>	RUB			0	574				0		574
<i>Pagellus acame</i>	SBA	2,355	5,964	8,319	8,759			4,150	4,150		21,228
<i>Sparus aurata</i>	SBG		55	55	2,658				0		2,713
<i>Pagellus bogaraveo</i>	SBR			0	23				0		23
<i>Oblada melanura</i>	SBS			0	1,206				0		1,206
<i>Scorpaena spp.</i>	SCS		55	55	10,168			226	226		10,449
<i>Sarpa salpa</i>	SLM	971		971	739	1,300			0		3,010
<i>Spicara smaris</i>	SPC	38,270	1,127	39,397	13,652			15,058	15,058	367	68,107
<i>Siganus spp.</i>	SPI			0	565	7,874			0		8,439
<i>Loligo spp.</i>	SQL	2,694	568	3,262	3,527			1,371	1,371		8,160
<i>Siganus rivulatus</i>	SRI			0	11,089			7	7		11,096
<i>Serranus scriba</i>	SRK			0	2,107				0		2,107
<i>Lithograthus mormyrus</i>	SSB			0	478	2,269		3	3		2,750
Dasyatidae	STT	465	14	479	4,702			121	121		5,303
<i>Diplodus sargus</i>	SWA	3	15	18	12,339	2,144		24	24		14,525
<i>Xiphias gladius</i>	SWO	344		344	4,802			38,455	38,455	59	43,601
Trachinidae	TRA	15	71	86	26			4	4		116
<i>Balistes capricus</i>	TRG			0	274				0		274
<i>Uranoscopus scaber</i>	UUC	162	23	185	214			7	7		406
Labridae	WRA			0	9,836				0		9,836
<i>Polyprion americanus</i>	WRF			0	94				0		94
<i>Xyrichtys novacula</i>	XYN			0	43				0		43
<i>Scyllarides latus</i>	YLL			0	413				0		413
<i>Echelus myrus</i>	AOM	25	67	92	998			10	10		1,100
TOTAL		77,072	28,575	105,646	525,598	34,748	395,854	73,460	469,314	2,645	1,135,306

ANNEX IV - Tonnage and Power Statistics for Cyprus

Cyprus: **Tonnage** of the fleet compared to its tonnage ceiling
Evolution between 1-5-2004 and 1-1-2015



Cyprus: **Power** of the fleet compared to its power ceiling.
Evolution between 1-5-2004 and 1-1-2015.



ANNEX V: Estimation and Discussion of Balance Indicators

In accordance with the 2014 Balance Indicator Guidelines adopted by the Commission, two *biological* (sustainable harvest indicator, stocks-at-risk indicator), two *economic* and two *vessel use indicators* should be used for assessing the balance of the different Cyprus fleet segments. However, STECF 15-02 stated that “*the indicators alone do not provide an objective measure of whether a fleet segment is in or out of balance with its fishing opportunities*”. STECF concluded that the newly adopted indicators have a number of limitations that must be considered when judging whether a fleet segment is in or out of balance with the fishing opportunities available to it. Two new indicators were proposed by the Group, that could be used in conjunction with the existing indicators; an indicator of the number of overharvested stocks which is weighted by the relative contribution and individual fleet segment made to the total fishing mortality; and the Economic Dependency Indicator, which shows how economically reliant fleet segments were on overfished stocks.

For the 2013 Report, all new indicators had been estimated and approved by EWG 14-04 and STECF 14-09 (<http://stecf.jrc.ec.europa.eu/reports/balance>); the estimated indicators were made available to the MS, for including them in the 2013 report. Cyprus re-calculated the SHI indicator for various reasons, explained in the 2013 Report (Annex II). EWG 14-21 considered that “the recalculation of the SHI by Cyprus is appropriate given the limitations identified in their National Report”.

For the preparation of the 2014 Report, no estimated indicators were made available to the Member States, therefore Cyprus had to calculate the indicators required by the 2014 Guidelines. Data used were the ones provided by Cyprus through the 2015 Official Fleet Economic Data Call. In this second version of the Report, data are updated and refer also to 2014 (not included in the 2015 Fleet Economic Data Call). For the calculations, the requirement of Article 22§3 of Regulation (EU) 1380/2013, to draw “*separate assessments for fleets operating exclusively outside Union waters*” was considered.

Information is provided below on the clustering of fleet segments that were done for the estimation of indicators.

Clustering of fleet segments

The segments that have been clustered are shown on the Table below “Economic Clustering of fleet segments”, where the clusters are named after the biggest segment in terms of number of vessels. The demersal trawlers below 24m is only 1 and thus, for sampling purposes as well as for confidentiality reasons it was regrouped in the >24m length group (up to 28m). Both groups are engaged in the same metier and they target the same group of species with the same gear despite their vessels length.

The same, as above, stands for the vessels using polyvalent passive gears where the vessels belonging in the length group 18-<24m are only one and the vessels above the 24m length group are only three. Thus for sampling purposes, as well as for confidentiality reasons they were regrouped in the 12-<18m length group. It is noted that there are 14 active vessels with length less than 18m (length group 12-<18m) although the licenced ones for this length group are 18. All the groups of vessels using polyvalent passive gears with length>12m are engaged in the same metiers since these vessels target the same group of species with the same gears despite their vessels length. It is evident from the landings value and volume.

It is emphasized that the cost structure of the clustered segments does not change much. It is important to have in mind that for all segments a census was performed

Table - Economic Clustering of fleet segments

Name of the clustered fleet segments	Total number of vessels in the cluster by the 1 st of January of the sampling year	Fleet segments which have been clustered	Number of vessels in the segment by the 1 st of January of the sampling year	Active
Passive gears : Polyvalent "passive gears only" 12-<18m*	22	Polyvalent passive gears 12-18 m	18	16
		Polyvalent passive gears 18-24 m	1	1
		Polyvalent passive gears 24-40 m	3	3
Demersal trawlers 24-<40m*	7	Demersal trawlers 18-24 m	1	1
		Demersal trawlers 24-<40m	6	4

(i) Biological Sustainability Indicators

Sustainable Harvest Indicator

The Sustainable Harvest Indicator (SHI) was calculated based on data provided by Cyprus through the 2015 Official Fleet Economic Data Call; in the second version of the report, data were updated and include also 2014 data. The SHI indicator was calculated by the DFMR in accordance with the guidelines, using the available values of $F/F_{msy\ proxies}$ for the stocks concerned (included in the STECF 14-24 Report¹, the 2015 GFCM-SAC Report² and the STECF 13-27 Report³).

Table 2 provides the calculations made for estimating SHI for the fleet segments with available data. As seen from Table 2, only for one fleet, the demersal trawlers fishing in both territorial and international waters, the indicator SHI covers stocks that constitute at least 40% of the value of landings. The inclusion of stocks in the SHI indicator that constitute at least 40% of the value of landings is difficult to reach, due to the limited available number of stock assessments, and the high number of species caught, especially for the small scale inshore fleet.

In the case of the small scale inshore fleet, the species (stocks) represented in the indicator are important species in value and catch, and are been traditionally assessed; therefore this indicator is considered the best available scientific information for assessing biologically the balance of the small scale inshore fleet.

¹ Scientific, Technical and Economic Committee for Fisheries (STECF) – Consolidated Advice on Fish Stocks of Interest to the European Union (STECF-14-24). 2014. Publications Office of the European Union, Luxembourg, EUR 27028 EN, JRC 93360, 747 pp

² FAO General Fisheries Commission for the Mediterranean 2015. *Report of the seventeenth session of the Scientific Advisory Committee*. FAO headquarters, Rome, 24–27 March 2015. FAO Fisheries and Aquaculture Report No. 1110. Rome, FAO. 300 pp.

³ Scientific, Technical and Economic Committee for Fisheries (STECF) – Review of scientific advice for 2014 – Consolidated Advice on Fish Stocks of Interest to the European Union (STECF-13-27). 2013. Publications Office of the European Union, Luxembourg, EUR 26328 EN, JRC 86158, 575 pp.

Concerning the polyvalent fleet (12-18m), for the two main species caught (*Thunnus alalunga* and *Xiphias gladius*) there are no available F values (see STECF 14-24 Report)¹. Taking into account that the use of catch per unit effort is not recommended by the guidelines, this indicator is considered as the best available for assessing biologically the balance of this fleet.

As regards the trawlers fishing exclusively in non-Union waters, the indicator represents stocks with less than 5% contribution in catches and value; therefore it could not be used meaningfully.

Table 3 provides the values of the SHI for the different fleet segments, in traffic light system.

Table 3: Estimated Sustainable Harvest Indicator for the Cyprus fleet segments in traffic light system

Fleet segment	Sustainable Harvest Indicator		
	2012	2013	2014
CYP DTS VL2440 (fishing in territorial and international waters)	1.0	1.0	1.1
CYP DTS VL2440 (fishing only in international waters)	4.9	4.3	3.1
CYP PGP VL1218	0.8	0.7	0.9
CYP PG VL0612 (Category A&B)	1.5	1.6	1.6
CYP PG VL0006 (Category A&B)	1.5	1.6	1.6
CYP PGO VL0612 (Category C)	1.6	1.6	1.6
CYP PGO VL0006 (Category C)	1.6	1.6	1.6

Stocks-at-risk indicator

According to the guidelines, a stock at high biological risk means a stock which is either (a) assessed as being below the B_{lim} biological level; (b) subject to an advice to close the fishery, to prohibit directed fisheries, to reduce the fishery to the lowest possible level, or similar advice from an international advisory body, even where such advice is given on a data-limited basis; (c) subject to a fishing opportunities regulation which stipulates that the fish should be returned to the sea unharmed or that landings are prohibited; (d) a stock which is on the IUCN "red list" or is listed by CITES.

None of the stocks exploited by the Cyprus fishing fleet segments seems to meet the above criteria. It is noted though that in the Mediterranean there is no agreed reference point concerning stock biomass (B), therefore the first criterion cannot be evaluated.

Difficulties in applying both biological indicators to Mediterranean stocks are indicated in the STECF-14-09 report.

¹ Scientific, Technical and Economic Committee for Fisheries (STECF) – Review of scientific advice for 2014 – Consolidated Advice on Fish Stocks of Interest to the European Union (STECF-13-27). 2013. Publications Office of the European Union, Luxembourg, EUR 26328 EN, JRC 86158, 575 pp.

Table 2: Calculation of SHI for the fleet segments.

Fleet	CYP DTS VL2440 (fishing in territorial and international waters)					CYP DTS VL2440 (fishing only in international waters)					CYP PGP VL1218				
Year	stock	Fi/Fmsy	Vi	% in total V	% in total Catch	stock	Fi/Fmsy	Vi	% in total V	% in total Catch	stock	Fi/Fmsy	Vi	% in total V	% in total Catch
2014	bog-gsa25	1.54	63869	6.9%	7.3%	bog-gsa26	1.85	3465	0.6%	0.9%	bog-gsa25	1.54	3098	0.2%	0.1%
	mur-gsa25	1.83	47084	5.1%	2.0%	mur-gsa26	1.97	7376	1.2%	0.6%	mur-gsa25	1.83	11386	0.7%	0.1%
	mut-gsa25	1.5	261109	28.1%	11.6%	pac-gsa26	1.91	3801	0.6%	0.7%	bft	0.7	160090	10.1%	3.9%
	spc-gsa25	0.60	350012	37.7%	55.5%	ank-gsa15_16	1.88	563	0.1%	0.3%	mut-gsa25	1.5	27339	1.7%	0.3%
						hke-gsa15_16	7.47	4250	0.7%	0.6%					
						pac-gsa15_16	2.40	350	0.1%	0.1%					
	SHI= 1.09	sum	77.8%	76.3%	SHI= 3.1	sum	3.3%	3.2%	SHI= 0.9	sum	12.7%	4.4%			
2013	bog-gsa25	1.54	28765	4.0%	4.5%	ank-gsa15_16	1.88	100	0.02%	0.02%	bog-gsa25	1.54	689	0.05%	0.02%
	mur-gsa25	1.83	20577	2.8%	1.0%	hke-gsa15_16	7.47	1225	0.21%	0.21%	mur-gsa25	1.83	434	0.03%	0.01%
	spc-gsa25	0.60	293490	40.5%	56.3%	mut-gsa15_16	2.89	180	0.03%	0.03%	bft	0.7	149047	10.6%	4.02%
	mut-gsa25	1.5	182450	25.2%	10.0%	bog-gsa26	1.85	123	0.02%	0.06%	mut-gsa25	1.5	59	0.004%	0.001%
						mur-gsa26	1.97	1100	0.19%	0.09%					
						pac-gsa26	1.91	174	0.03%	0.04%					
	SHI= 1.0	sum	72.6%	71.8%	SHI= 4.3	sum	0.5%	0.5%	SHI = 0.7	sum	10.6%	4.0%			
2012	bog-gsa25	1.54	31383	6.0%	7.1%	hke-gsa15_16	7.47	2625	0.50%	0.5%	bft	0.70	87825	6.8%	4.6%
	mur-gsa25	1.83	4877	0.9%	0.3%	pac-gsa15_16	2.40	838	0.16%	0.1%	bog-gsa25	1.54	5769	0.4%	0.2%
	mut-gsa25	1.50	103589	19.8%	8.2%	bog-gsa26	1.85	950	0.18%	0.4%	mur-gsa25	1.83	4106	0.3%	0.1%
	spc-gsa25	0.60	173984	33.3%	48.3%	pac-gsa26	1.91	532	0.10%	0.1%	mut-gsa25	1.50	1498	0.1%	0.02%
	bog-gsa26	1.85	415	0.1%	0.1%					spc-gsa25	0.60	12373	1.0%	1.0%	
	pac-gsa26	1.91	638	0.1%	0.1%										
	SHI= 1.0	sum	60.2%	64.2%	SHI= 4.9	sum	0.9%	1.1%	SHI= 0.8	sum	8.7%	5.8%			

(Table 2 cont..)

Fleet	CYP PG VL0612 (A&B category)					CYP PG VL0006 (A&B category)					CYP PGO VL0612 (C category)					CYP PGO VL0006 (C category)				
Year	stock (i)	Fi/Fmsy	Vi	% in total		stock (i)	Fi/Fmsy	Vi	% in total		stock (i)	Fi/Fmsy	Vi	% in total		stock (i)	Fi/Fmsy	Vi	% in total	
				% in total V	Catch				% in total V	Catch				% in total V	Catch				% in total V	Catch
2014	bog-gsa25	1.54	550401	14.6%	18.1%	bog-gsa25	1.54	26891	9.6%	12.0%	bog-gsa25	1.54	2297	4.7%	7.6%	bog-gsa25	1.54	13018	4.7%	7.6%
	mur-gsa25	1.83	585147	15.5%	5.7%	mur-gsa25	1.83	18522	6.6%	2.4%	mur-gsa25	1.83	4176	8.5%	4.1%	mur-gsa25	1.83	23666	8.5%	4.1%
	spc-gsa25	0.60	63556	1.7%	2.7%	spc-gsa25	0.60	881	0.3%	0.5%	mut-gsa25	1.5	902	1.8%	0.9%	mut-gsa25	1.5	5112	1.8%	0.9%
	mut-gsa25	1.5	151320	4.0%	1.5%	mut-gsa25	1.5	4129	1.5%	0.6%	spc-gsa25	0.60	402	0.8%	2.0%	spc-gsa25	0.60	2278	0.8%	2.0%
	SHI = 1.6	sum	35.7%	27.9%	SHI= 1.6	sum	18.1%	15.4%	SHI= 1.6	sum	15.81%	14.64%	SHI= 1.6	sum	15.8%	14.6%				
2013	bog-gsa25	1.54	456820	13.0%	11.6%	bog-gsa25	1.54	45180	13.0%	11.63%	bog-gsa25	1.54	3424	5.9%	7.6%	bog-gsa25	1.54	19401	5.9%	7.6%
	mur-gsa25	1.83	365721	10.4%	4.1%	mur-gsa25	1.83	36170	10.4%	4.06%	mur-gsa25	1.83	4199	7.2%	4.1%	mur-gsa25	1.83	23793	7.2%	4.1%
	mut-gsa25	1.5	211207	6.0%	2.3%	mut-gsa25	1.5	20889	6.0%	2.35%	mut-gsa25	1.5	925	1.6%	0.9%	spc-gsa25	0.60	5244	1.6%	0.9%
	spc-gsa25	0.60	36602	1.0%	2.2%	spc-gsa25	0.60	3071	0.9%	1.97%	spc-gsa25	0.60	344	0.6%	2.0%	mut-gsa25	1.5	1948	0.6%	2.0%
	SHI = 1.6	sum	30.4%	20.3%	SHI = 1.6	sum	30.2%	20.0%	SHI= 1.6	sum	15.2%	14.6%	SHI = 1.6	sum	15.2%	14.6%				
2012	bog-gsa25	1.54	767669	15.1%	13.2%	bog-gsa25	1.54	85297	15.1%	13.2%	bog-gsa25	1.54	3973	0.06	0.08	bog-gsa25	1.54	22516	5.9%	7.6%
	mur-gsa25	1.83	477500	9.4%	3.6%	mur-gsa25	1.83	53056	9.4%	3.6%	mur-gsa25	1.83	4871	0.07	0.04	mur-gsa25	1.83	27604	7.2%	4.1%
	mut-gsa25	1.50	154855	3.0%	1.1%	mut-gsa25	1.50	16313	2.9%	1.1%	mut-gsa25	1.50	1073	0.02	0.01	mut-gsa25	1.50	6080	1.6%	0.9%
	spc-gsa25	0.60	177599	3.5%	10.8%	spc-gsa25	0.60	20523	3.6%	8.4%	spc-gsa25	0.60	399	0.01	0.02	spc-gsa25	0.60	2261	0.6%	2.0%
	SHI = 1.5	sum	31.0%	28.7%	SHI = 1.5	sum	31.0%	26.3%	SHI = 1.6	sum	15.2%	14.6%	SHI = 1.6	sum	15.2%	14.6%				

.(ii) Economic indicators

Return on Fixed Tangible Assets (RoFTA)

The ROI indicator shows the long term viability. The return on investment compared to the potential return that would be received from investing the capital asset value elsewhere. Due to the fact that there is not a market for fishing rights in Cyprus the data on intangible assets are not available. It is noted that the fishing licences in Cyprus are issued annually and quotas exist only for blue-fin tuna but they are granted on an annual basis. Thus, the value of intangible assets is considered small. Having this in mind, the indicator Return on Fixed Tangible Assets (RoFTA) for each category of the fleet is considered more appropriate, since the value of fishing rights is not included.

The indicator is calculated as follows:

$$\text{RoFTA} = \text{Net profit} / \text{Depreciated Replacement Value}$$

The indicator is compared against TRP: return on risk free long term investment minus inflation.

The RoFTA indicator is estimated for the four segments of the active fishing fleet (vessels with polyvalent passive gears 0-<6m, vessels with polyvalent passive gears 6-<12m vessels, with polyvalent passive gears 12-24m and demersal trawlers 24-40m, based on 2012-2013 data. These four segments were chosen by JRC, checked by EWG 14-04 and accepted by STECF 14-09 for the balance report of 2013. It is noted that the fleet segments: polyvalent passive gears 12-24m and demersal trawlers 24-40m, have been clustered as shown and explained on the Annex Table:“Economic Clustering of fleet segments”, where the clusters are named after the biggest segment in terms of number of vessels.

The Traffic light system is used: **red** < TRP; **green** > TRP ; **yellow** 0 - TRP

RoFTA

FLEET SEGMENTS	YEARS		Δ
	2012	2013	
DTS 24-40m	-8.7	-4.9	↗
PG 0-6m	7.8	8.1	↗
PG 6-12m	-3.4	-2.8	↗
PGP 12-18m	-8.2	-4.2	↗

RISK FREE INTEREST RATE - INFLATION

YEARS	2011	2012	2013
	2.29	3.90	4.20

The development trend is analysed for all indicators for the latest year (2012) to the average over 2010-2011 and indicated by an arrow: "↗" improved/increased; "↘" deteriorated/decreased and "↔" stable.

The RoFTA regarding all the fleet segments is very low or negative indicating economic over-capitalization. In 2013 the small scale fishery fleet has been reduced by 107 vessels, scrapped within the framework of the Scheme of Permanent Cessation, co-funded by European Fisheries Fund,

and despite the fact that it is too early to come up with safe results the situation, as it is shown by the development trend above, is getting improved. Comparing the RoFTA with the interest rate of a low risk long term investment, as calculated above, shows that it is more beneficial to invest elsewhere.

The calculations of indicator RoFTA are the following:

TABLE: Calculation of RoFTA

	2012				2013			
	PG 0-6m	PG6-12m	PGP 12-18m	DTS 24-40m	PG 0-6m	PG6-12m	PGP 12-18m	DTS 24-40m
Income	340.894	4.039.895	1.285.770	1.042.593	336.141	3.541.780	1.438.896	1.421.682
Cap. Costs	218.978	2.869.053	928.839	1.078.149	191.576	2.316.186	982.340	1.129.665
Net Profit	62.387	2.489.076	2.063.697	1.802.027	63.017	2.360.732	1.175.282	1.233.582
Cap. Value	65.865	1.318.234	1.706.766	1.837.583	87.947	1.135.138	-718.726	-941.565
RoFTA	1163520	38.486.519	20.900.430	21.087.000	1.199.773	39.918.833	17.174.916	19.051.200
	5,12	-3,43	-8,17	-8,71	6,8	-2,84	-4,18	-4,94

Ratio between current revenue and break-even revenue

This ratio gives a short term view of financial viability and it is calculated as follows:

$$\text{Ratio} = \text{Current Revenue (CR)} / \text{BER}$$

Where, the break even revenue (BER) is the revenue required to cover both the fixed and variable costs so that zero profits and losses are generated and it is calculated as follows:

$$\text{BER} = (\text{Fixed Costs}) (1 - \{ \text{Variable Costs} / \text{Current Revenue} \})$$

It is noted that the opportunity cost of capital is excluded.

CR/BER*

				2012	2013	
CYP	AREA37	DTS	VL2440	0.007	0.30	↗
CYP	AREA37	PG	VL0006 (A&B)	2.17	2.57	↗
CYP	AREA37	PG	VL0612 (A&B)	0.47	0.52	↗
CYP	AREA37	PGP	VL1218	0.21	0.42	↗

In most cases the ratio is less than 1 showing that the income is not enough to cover all the costs: fixed, variable and capital, indicating that the segment is not profitable, with potential overcapitalization.

The calculations for this indicator are shown below:

TABLE: Calculation of Ratio= CR/BER

	2012				2013			
	PG 0-6m	PG6-12m	PGP 12-18m	DTS 24-40m	PG 0-6m	PG6-12m	PGP 12-18m	DTS 24-40m
Income	340.894	4.039.895	1.285.770	1.042.593	336.141	3.541.780	1.438.896	1.421.682
FC	67.387	2.494.076	2150848	1850472	63.017	2.365.732	1247258	1258365
VC	218978	2864053	841689	1029704	190346	2303226	910364	1044455
BER	156727	8569011	6227451	149679151	130537	6765068	3395582	4742484
CR/BER	1,809	0,471	0,206	0,007	2,314	0,524	0,424	0,300

(iii) Vessel Use Indicators

Inactive Fleet Indicator

Table 5 provides the proportion of inactive vessels of the total fleet with respect to number of vessels, power and tonnage for the period 2009-2014. All data have been updated in comparison with the 2013 Report and the 1st version of 2014 AR, since errors were found concerning the information on inactivity. The development trend is analysed for the latest year (2014) to the average over the period 2009-2013 and indicated by an arrow: "↗" improved/increased; "↘" deteriorated/decreased and "↔" stable; the analysis is the same with the one made by JRC for the 2013 Report. The indicator suggests a decrease in the inactive capacity (in terms of number, GT and kW), with relative stabilization in the last years.

Table 5: Inactive Fleet Indicator

MS	Fleet segment		no. inactive vessels as % of total vessels							Δ	Inactive kW as % of fleet kW							Δ	Inactive GT as % of fleet GT							Δ
			2009	2010	2011	2012	2013	2014	#		2009	2010	2011	2012	2013	2014	kW		2009	2010	2011	2012	2013	2014	GT	
CYP	NONE	INACTIVE VL0006	7.2%	4.6%	2.5%	2.0%	2.7%	2.5%	↘	3.5%	3.0%	1.8%	1.4%	1.5%	1.6%	↘	1.5%	1.2%	0.6%	0.5%	0.6%	0.7%	↘			
CYP	NONE	INACTIVE VL0612	15.8%	3.5%	2.9%	1.5%	2.0%	1.8%	↘	13.9%	3.1%	2.4%	1.7%	2.6%	1.7%	↘	11.2%	2.2%	1.9%	1.1%	1.8%	1.8%	↘			
CYP	NONE	INACTIVE VL1218	0.9%	0.2%	0.2%	0.5%	0.4%	0.2%	↘	3.3%	0.7%	0.6%	1.3%	1.1%	1.0%	↘	3.2%	1.2%	1.1%	2.2%	2.2%	1.3%	↘			
CYP	NONE	INACTIVE VL1824	0.3%	0.1%	0.1%	0.0%	0.0%	0.1%	↘	2.0%	0.6%	0.6%	0.0%	0.0%	0.7%	↗	7.1%	1.2%	1.2%	0.0%	0.0%	0.9%	↘			
CYP	NONE	INACTIVE VL2440	0.3%	0.1%	0.2%	0.3%	0.2%	0.3%	↗	2.5%	0.6%	1.3%	2.1%	2.0%	2.5%	↗	7.9%	2.5%	5.7%	7.8%	6.6%	9.7%	↗			
CYP	National fleet		25%	9%	6%	4%	5%	5%	↘	25%	8%	7%	7%	7%	8%	↘	31%	8%	11%	12%	11%	14%	↘			

Vessel Utilisation Indicator

Table 6 provides the estimated Vessel Utilisation Indicator per fleet segment in traffic light system (red < 0.7; green ≥ 0.9; yellow 0.7-0.9). The development trend is analyzed for the latest year (2014) to the average over the period 2009-2013 and indicated by an arrow: "↗" improved/increased; "↘" deteriorated/decreased and "↔" stable.

In accordance with the Guidelines, the capacity is indicated in kW for active and in GT for passive gear segments. For all fleets, except the trawlers fishing exclusively in international waters, the maximum activity was based on the maximum effort actually expended by a vessel in the segment (in kWdays or GT-days) in the reference year. This is because, based on DFMR experience, this can be considered as the maximum effort that could be exerted by the fleets. For the trawlers fishing exclusively in international waters, the maximum activity of all reference years was based on the maximum number of days exercised by this fleet during 2014; while in the previous years the maximum observed number of days of this fleet was quite low, in 2014 it was significantly and it can be considered as a reference for the previous years.

For the small scale inshore vessels with license category C', the vessel utilisation indicator was not estimated. As mentioned in section A(i), this category has a limited fishing effort and by Law, the maximum allowable working days for this category are 70 days, and can be exercised only in the weekends.

Table 6: Estimated Vessel Utilisation Indicator for the Cyprus fleet segments in traffic light system.

Fleet segment	Vessel Utilisation Indicator												Δ
	2009		2010		2011		2012		2013		2014		
	kW-days	GT-days	kW-days	GT-days	kW-days	GT-days	kW-days	GT-days	kW-days	GT-days	kW-days	GT-days	
CYP OTB VL1824 (fishing in territorial and international waters)	0.93		0.79		0.65		0.98		0.98		1.00		↗
CYP OTB VL1824 (fishing only in international waters)	0.23		0.55		0.48		0.23		0.42		0.65		↗
CYP PGP VL1218		0.33		0.61		0.50		0.47		0.45		0.48	↗
CYP PG VL0012 (Category A&B)		0.46		0.57		0.56		0.50		0.56		0.45	↘

The indicator suggests that only one fleet segment, the “demersal trawlers operating in both territorial and international waters”, does not have low values of capacity utilization (>0.7). Concerning the small scale inshore fleet, the relatively low values of capacity utilization suggest a technical overcapacity. The segment “vessels using polyvalent passive gears 12-18 m” exhibits heterogeneous activity; however this heterogeneous activity can be explained on the fact that the segment includes vessels using mainly drifting longlines targeting large pelagic, and vessels using mainly bottom nets and longlines targeting demersal species. Therefore, for the segment “vessels using polyvalent passive gears 12-18 m” it is considered that the low value of capacity utilization does not indicate technical overcapacity.