

Statement on responsible fisheries in Iceland

About the statement

This statement is presented by several responsible parties in the Icelandic fishing industry, the minister of fisheries, the Marine Research Institute, the Directorate of Fisheries and the Fisheries Association of Iceland. This statement is a part of providing information about the Icelandic fishing industry and how measures are taken to ensure responsible fisheries and the proper treatment of the marine ecosystem around Iceland.

The statement is intended for everyone concerned about the status of the fish stocks and responsible fisheries, particularly the numerous parties that purchase and consume Icelandic fish products.

1 Icelandic fisheries are responsible fisheries

The fishing industry is one of the main pillars of the Icelandic economy. Responsible fisheries at the Icelandic fishing grounds are the prerequisite for the Icelandic fishing industry continuing being a solid part of the Icelandic economy and a principal pillar in Iceland's exports.

Icelanders have structured a fisheries management system to ensure responsible fisheries, focusing on the sustainable utilization of the fish stocks and good treatment of the marine ecosystem. The fisheries management in Iceland is primarily based on extensive research on the fish stocks and the marine ecosystem, decisions made on the conduct of fisheries and allowable catches on the basis of scientific advice, and effective monitoring and enforcement of the fisheries and the total catch. These are the main pillars of the Icelandic fisheries management intended to ensure responsible fisheries and the sustainability of the ocean's natural resources.

2 The catch limitation system is the cornerstone of the fisheries management system

The catch limitation system is the cornerstone of the Icelandic fisheries management system. The system is intended to limit the total catch and to prevent more fishing from the fish stocks than the authorities allow at any given time.

The catch limitation system is based on the catch share allocated to individual vessels. Each vessel is allocated a certain share of the total allowable catch (TAC) of the relevant species. The catch limit of each vessel during the fishing year is thus determined on basis of the TAC of the relevant species and the vessel's share in the total catch.

The catch share may be divided and transferred to other vessels, with certain limitations.

3 Stock assessments and fisheries advice in conformity with international criteria

Stock assessments and scientific fisheries advice are the main foundations of the decisions made by the authorities on the TACs each year.

In Iceland the Marine Research Institute carries out research on the ocean's commercial stocks and provides the authorities with fisheries advice. The Marine Research Institute is an independent institution that falls under the auspices of the Ministry of Fisheries and is the main research body in Iceland conducting marine and fisheries research.

Stock assessments are based on systematic research of the size and productivity of the fish stocks and the marine ecosystem. Active collaboration with international scientific organisations ensures that the focus is on internationally acknowledged research methods that provide the best available information on the condition of the fish stocks around Iceland at any time.

Prior to the Marine Research Institute's advice on the total catch being published, the institute's assessment of the size and condition of the main fish stocks is presented to and evaluated by relevant committees of the International Council for the Exploration of the Sea (ICES). Additionally, there is collaboration with other

multi-national organizations, including NEAFC (Northeast Atlantic Fisheries Commission) and NAFO (Northwest Atlantic Fisheries Organization), when addressing stocks occurring beyond the Icelandic Exclusive Economic Zone. Collaboration with international organisations in this field ensures that the Marine Research Institute is working in conformity with demands that meet international criteria.

4 Deciding the total allowable catch (TAC) based on scientific grounds

The minister of fisheries determines the annual TAC of every species subject to quota regulation. A scientific assessment of the state of the fish stocks and the condition of the ecosystem constitutes the main basis of determining the TAC each year.

Conformity between the scientific fisheries advice and the authorities' decisions on the TAC is a principal factor for ensuring responsible fisheries management. The authorities' decisions on the maximum catch are based on social and economic factors, yet always focused on ensuring the long-term renewal of the fish stocks. The Icelandic authorities have implemented a utilization strategy with the long-term objective of ensuring sustainable fisheries.

5 Effective catch control and enforcement

Effective control is an inseparable part of the responsible fisheries management and ensures that the catches in Iceland are well in conformity with the TAC every fishing year.

The Directorate of Fisheries is responsible for the implementation of laws and regulations regarding fisheries management in Iceland and for monitoring and enforcement regarding the fisheries operation and the fish processing. The Directorate is a public institution that falls under the Ministry of Fisheries. All commercial fisheries are subject to authorization by the Directorate of Fisheries.

Any catch brought ashore is to be weighed by accredited harbour officials. Upon completion of weighing, the relevant harbour authorities register the catch in the central database of the Directorate of Fisheries, which ensures a steady overview of the status of the allowable catch of every vessel and how much has been taken from the fisheries quota. The fisheries inspectors of the Directorate of Fisheries monitor the correct weighing and registration of the catch. Information on each vessels allowable catch and quota use is regularly updated and made public and accessible to all on the Directorate's web-site, as mandated by law, thus ensuring transparency.

The fishing gear is subject to effective monitoring, as well as the composition of the catch and its handling onboard the fishing vessels. The inspectors have access to the catch logs, which state the location of the fishing activity, the day of the catch, the type of fishing gear used and the catch quantity. If such control reveals the presence of much small fish or juveniles at the fishing grounds, the Marine Research Institute temporarily closes the relevant fishing grounds without delay.

The Iceland Coast Guard, which falls under the auspices of the Ministry of Justice, monitors the fisheries of vessels operating in Icelandic waters, as well as monitoring closed areas. Additionally, it inspects the fishing gear, for example the mesh size of the nets.

6 Reliability of catch information ensured

The effectiveness of monitoring of the fisheries and catch control is reflected, among other things, in the observed good conformity between the TAC and the real catch every year.

Anyone purchasing and/or selling catches is obligated to present reports to the Directorate of Fisheries, containing information on the purchase, sale and other disposition of fish catches. If discrepancy materializes in the database of the Directorate of Fisheries between the information stated in the reports and the information received from the harbour weighing, measures are taken when this is deemed appropriate. This ensures independent

checking of the accuracy of information about the catches that are brought ashore.

Experience shows that there is good conformity between the catch information of the Directorate of Fisheries and the information about the total fish export as registered elsewhere. This conformity illustrates the reliability of the catch information.

7 Severe penalty for breaches of the fisheries management legislation

Breaches of the law and regulations on fisheries management are subject to fines or revoking of the fishing permit, irrespective of whether such conduct is by intent or negligence. Major or repeated intentional offenses are subject to up to six years imprisonment.

If the catch of a vessel exceeds the allowable catch of the said vessel of individual species, the relevant fishing company must obtain an additional catch quota for the relevant species. If this is not done within a certain timeframe, the fishing permit may be revoked as well as a charge having to be paid for the illegal catch.

8 Extensive research of the impact of fisheries on the marine ecosystem

Extensive knowledge of the ocean around Iceland and its ecosystem is the foundation of decisions on sustainable fisheries and other utilization of the natural resources of the sea.

The Marine Research Institute carries out wide ranging and extensive research on the status and productivity of the commercial stocks, and long-term research on the marine environment and the ecosystem around Iceland. The results of this research are the foundations of the advice on sustainable catch level of the fish stocks. Additionally, the institute investigates fishing gear and its impact on the ecosystem, including bottom trawl, line, net and mid-water trawl fisheries and the fishing gear's selectivity. Research on the impact of fishing gear is among other things aimed at minimizing to the extent possible such impact on the ocean's ecosystem.

9 Special measures for protecting small fish and the ecosystem

Various special measures are taken to ensure the protection of small fish and vulnerable habitats, such as regulations on the type of fishing gear allowed in different areas and the closing of fishing grounds. Such measures include rules on the minimum mesh size and the use of small-fish sorting grids.

If monitoring reveals that the percentage of small fish in the catch or the by-catch exceeds guideline limits, the Marine Research Institute may close the relevant fishing area for a short period of time. Such a fishing prohibition enters into force within a few hours. If small fish or by-catch repeatedly exceeds guideline limits, the relevant area is closed for a longer period of time.

Various area closures are in effect for longer periods of time and the Ministry of Fisheries enters the decisions on such long-term closures into force. The closures may apply to specific fishing gear, fishing-vessel size or all fishing for certain periods of time. Annually, such temporary closures of areas are in force to protect spawning grounds of cod and other demersal species. Additionally, in some areas the use of bottom fishing gear is totally prohibited, for example where there is coral and in other vulnerable areas.

10 Clear rules on discards and the disposition of by-catch

Collecting and bringing ashore any catches in the fishing gear of fishing vessels is obligatory. Discarding catch overboard is prohibited and such conduct is subject to penalty according to law.

If a vessel catches any species in excess of its fishing permit, the relevant fishing company has the option of obtaining additional quota within a certain period of time after landing the catch. Vessels are authorized to land a small percentage of the catch, usually by-catch, without the use of quota. The catch in question is sold at auction and the proceeds go to a research fund that supports marine research.

The Directorate of Fisheries and the Marine Research Institute conduct research and estimate discarded catches. The results indicate insignificant discards by the Icelandic fishing fleet.

11 Steady improvements

Fisheries management in Iceland has a long history and the fisheries management system has been under development for decades with a focus on the fisheries being both economical and sustainable with respect to the natural resources' utilization and renewal.

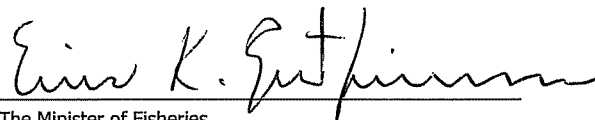
In recent years, measures have been taken in strengthening an ecosystem approach to the fisheries management in Iceland. Increasing emphasis is placed on research and development of methods in this field, and on fisheries advice that takes into account various interrelated factors in the ecosystem, such as the interaction of the species, environmental change and multi-species impacts. The focus is furthermore on strengthening research on the effects of fishing gear on the ecosystem, particularly on the seabed and the living bottom communities.

The Icelandic fishing industry and the authorities will continue to fully promote responsible fisheries management and to work against any illegal fisheries on the international scene.

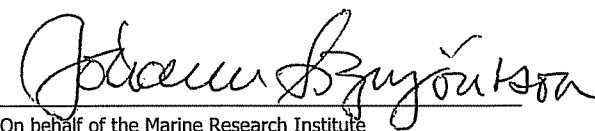
Icelanders have the ambition to be in the forefront of responsible treatment of the natural resources of the ocean. Hence, steady improvements are made of the fisheries management in Iceland and its scientific basis and measures are taken to strengthen the dissemination of information on the Icelandic fisheries.

Reykjavík, August 7th 2007

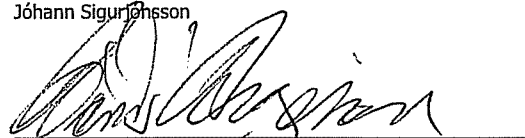
The parties to this statement guarantee that the information provided herein correctly illustrates the fisheries management in Iceland and in particular how firm measures are taken to secure sustainable utilization of the renewable natural resources in the ocean around Iceland.



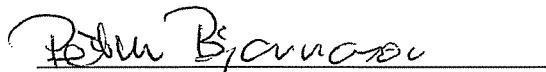
The Minister of Fisheries
Einar K. Guðfinnsson



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Further information about the Icelandic fisheries and the fisheries management is available on the websites www.fisheries.is, www.hafro.is and www.fiskistofa.is