



RECENT DEVELOPMENT IN FAROESE FISHING INDUSTRY

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RECENT DEVELOPMENT IN FAROESE FISHING INDUSTRY

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The comprehensive changes experienced by the Faroese fishing and fish-processing industries during the last decade are outlined; the impact caused by the new fishing limits in the North Atlantic, introduced 1977, combined with presentday's advanced equipment is discussed.

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The purpose of this article is to give a short view of the huge changes which the Faroese fishing and fish-processing industries, the main trade of the islands, have gone through during the last decade or so, and especially to examine the recent changes caused by the new fishing limits which were introduced in the North Atlantic in 1977.

INTRODUCTION

The total Faroese catches have been rather steadily increasing from about 90,000 t in 1952 to almost 340,000 in 1976, which can be expected to be the historical maximum. The following three years did not reach this peak. The total quantity curve, fig. 1, hides different developments in the 6-8 main fishing areas for the Faroese fishing fleet. In each single area the development is influenced more or less directly by a number of factors.

Among the factors influencing the productivity of fishery are first of all the size and density of the stock in a certain area. But however rich the stocks, their accessibility will be decisive and has lately played an increasing role. National, as well as international regulations have increasingly been limiting and reducing the rights which the Faroese had in certain waters, while Faroese organizations and authorities with greater or lesser foresight have been pressing on to secure national interests in local waters. However, in a number of cases these measures have just been complying with the international development.

Another decisive factor is the dimension and efficiency of the means of production. In other words, the size of the fishing fleet and its ability to exploit the fishing resources. This factor is dependent on the crews' capability, the scientific level, and technological applicability. In addition to the factors already mentioned, some relations are playing a role for the level of productivity. Here the interplay between

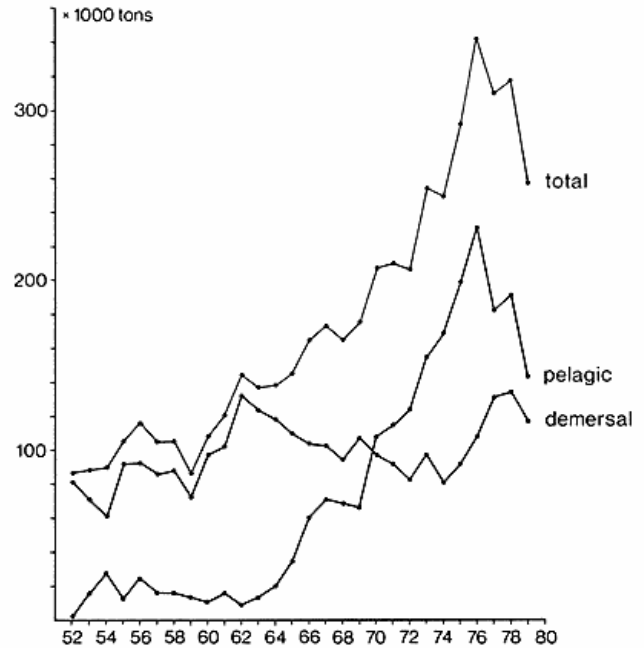


Fig. 1. Total Faroese catches from all fishing grounds, 1952-79, divided into pelagic and demersal fish.

Fig. 1. De samlede færøske fangster fra alle fiskefelter, 1952-79, fordelt på pelagisk og demersal fisk. *Bull. Stat., Veidihagstovnan, Árbog.*

actual combinations in the production process and corresponding divisions of labour has to be borne in mind. In this relation some social contradictions emerge clearly. A single company, firm, or person can only run a business as a part, or link, in the total social production process. But on the other hand, the appropriation and the right to dispose over the final product is still private.

STOCKS AND FISHERIES

Iceland

The Icelandic grounds have been exploited by Faroese fishermen for more than hundred years. At the beginning of the 1950s, these grounds were of relative great importance, second only to Greenland waters, c.f. fig. 2. But the expansion of the Icelandic fishing limits to 12 nm (nautical miles) in 1958 hit the Faroese fishermen seriously, and the quantities taken in these waters fell from about 25,000 in 1957 to 4,000 in 1969. From 1970 and onwards, some new factory sterntrawlers once again increased the Faroese catches. But

only two years later, when the fishing limit was expanded to 50 nm, this trawler type was ousted. This time other types, mainly smaller trawlers landing fresh fish to the fillet factories on the Faroe Islands were able to fill up their empty places.

Since the establishment of the 200 nm limit, Faroese fishermen have had a quota of demersal fish of 17,000 t, but the percentage of cod, the traditional species fished here, was reduced from 47% of this amount in 1976 to 35% in 1979. In 1977 Faroese vessels were for the first time allowed to fish 25,000 of capelin, a right which was maintained in 1978. In 1979, the Faroese quota of trashfish was 35,000 t, half capelin and half blue whiting, but it was only possible to take a small part of the blue whiting.

West Greenland

The fishing grounds off West Greenland have been of outstanding importance for the Faroese fishermen. The catches reached a maximum in 1962 with more than 93,000 t, which were 72% of all demersal fish caught by the Faroese. The following years, especially after 1967, meant severe decline for all codfishery in these waters. In 1973 the Faroese catches were only 6,500 t, and since 1978 there have been taken no cod or demersal fish at all.

To compensate for the diminishing catches of cod in this area, caused by overfishing of the stocks, changing natural conditions as well as a series of weak year-classes, the Faroese vessels intensified their fishing on the Newfoundland Banks and turned later to the Barents Sea which in the early fifties had been of great importance as all the old steam-trawlers took advantage of the good bunker facilities here. Another result of the vanishing prospects in Greenland was that the Faroese long-line vessels stepped up their efforts in local Faroese waters and landed their catches to the expanding Faroese fish-processing industry.

In the prawn-fishing off Greenland, the Faroese were pioneers. The first attempt was made in 1969 by a vessel, originally accommodated for salmon-fishing. The prawn catches reached a maximum in 1977 with 12,841 t. In 1978 and 1979 the diminishing quotas reduced this to 7,800 t and about 4,000 t respectively.

Newfoundland

The Faroese fishing off the east coast of North America began in 1956 and was increasing - except 1961 and 1962 - to abt. 20,000 t in 1963 and the following ten years. As already mentioned, the Faroese fishermen compensated to some degree for the decreasing catches off Greenland by increasing their efforts on the Newfoundland Banks. From 1973 and onwards, the fishing in these waters have been regulated by quotas, and as the Faroese vessels did not use their quota the following 3 years, it was successively lowered to 5,740 in 1977, but after direct negotiations it was increased somewhat.

Cod is the dominant species which is exploited by long-

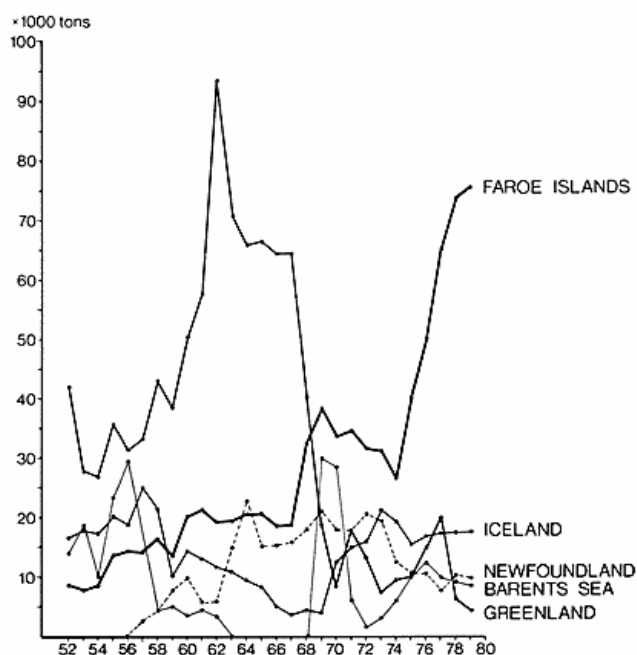


Fig. 2. Faroese demersal fishery on the 5 most important fishing grounds, 1952-1979 (For Greenland 1971-79 prawns are incl.)

Fig. 2. Færøsk demersalt fiskeri på de 5 vigtigste fiskefelter 1952-1979 (for Grønland, 1971-79, er rejer incl.) Bull. Stat., Ålmanakki, Veiðihagstalsstovan, Árbog f Fær.

line vessels and previously also by trawlers whereas specialized freezer vessels are fishing smaller amounts of black halibut (1978: 810 t) and porbeagle (1978: 126 t). After the severe reductions of the Faroese prawn quota in Greenland, some of the Faroese prawn trawlers have been hired by Canadian firms. They fish part of the Canadian prawn quota and land their catches to Canadian factories. The capelin quota, which the Faroese have had in Canadian waters, has not yet been used.

It shall be mentioned that in the last few years the main quantities of the Faroese cod catches have been taken in the international area, Flemish Cap (3M), outside the Canadian fishing limit.

Northern Norway and the Barents Sea

During the 1950s, Faroese trawlers fished considerable amounts of cod on the banks off northern Norway and in the Barents Sea. This fishery vanished during the sixties when the renewal of the fishing fleet progressed and the coalburning steam-trawlers were replaced by new long-line vessels and diesel trawlers. This new capacity was primarily fishing off Greenland. Between 1963 and 1968 no catches were taken in the Barents Sea area. But as a result of the failing fishery in Greenland waters in 1967 and onwards, the trawlers anew turned to these fishing grounds, and took considerable catches in 1969 and 1970, about 30,000 t. The following years it decreased steadily, and the last five years about 10,000 t have been taken in this extensive area. Apart from

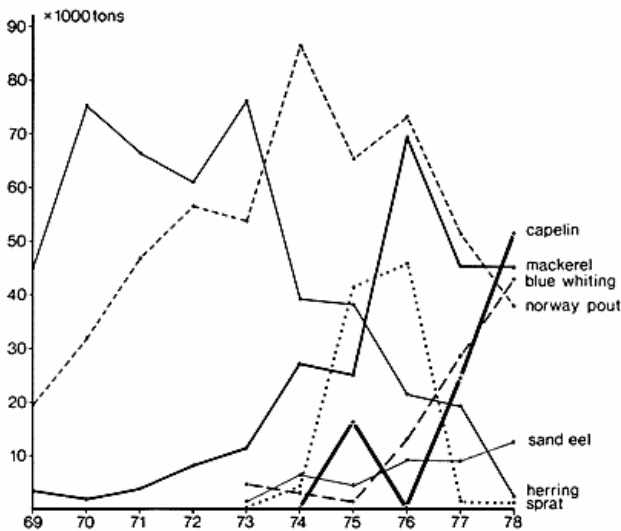


Fig. 3. Faroese catches of herring and trashfish in the North Sea and adjacent areas. Capelin is caught in waters off Iceland and North Norway.

Fig. 3. Færøske fangster af sild og industrifisk i Nordsøen og tilstødende farvande. Lodde fanges dog ved Island og Nordnorge. Bull. Stats., Veidihagstalsstovan.

capelin (1979: 3,800 t from Jan Mayen, and 1,571 t from Svalbard), cod and haddock are the dominant species in the Faroese catches in this area, in 1979 5,500 t and 1,100 t respectively.

North Sea

The Faroese fishery in the North Sea and adjacent areas has mainly been concentrating on pelagic fish and trashfish for industrial reduction, but in recent years the herring catches have been used for consumption only. As outlined in fig. 3, the Faroese powerblock purse-seiners turned to the North Sea herring stocks (area IVa) when the Atlantoscandic herring - usually taken N of the Faroes (area IIa) - disappeared in 1967. The herring catches in the North Sea reached a maximum in 1971 with more than 73,000 t, but by now it was already clear that the stocks were overexploited. In the subsequent years the catches declined, partly due to reduced stocks, partly to regulations of the herring fisheries. The purse-seiners turned to other species such as mackerel and sprat to compensate for the depleted herring stocks.

From 1968 Faroese trawlers exploited other stocks in the same area such as norway pout and later sandeel, catches which reached a maximum in 1974 with 85,000 t norway pout and 6,400 t sandeel. The so-called »pout box«, demarcked by 60° and 56°N, 0° and 4°W, and later regulations in the EC Sea caused a serious decline in this fishery with resulting troubles for the trawlers engaged here. In 1979 the catches of norway pout were only 19,600 t, sandeel 12,600 t. Some of the biggest trawlers and combined purse-seiner/trawlers have compensated for this loss by turning to the extensive stocks of blue whiting which after spawning W of the Hebrides migrate northwards and pass by the Faroes in

enormous shoals in April-May. In 1979 the Faroese catches of blue whiting was 21,600 t in domestic waters and 14,900 t in the EC-area, while other nations caught 190,000 t of blue whiting in the Faroese area.

The Faroe Islands

During the 1950s the Faroese took only relatively small amounts of their catches in domestic waters, while British vessels took the main part. As conditions changed, there have been a stepwise increase in the Faroese effort and catches around the Faroe Islands.

A multitude of conditions have changed, but the most decisive ones can be divided into two categories: those which have extended the rights and possibilities for Faroese fishermen on local grounds, and those which pushed them away from foreign grounds and banks.

One of the most important changes in the first category is the stepwise expanding of the Faroese fishing limit. During the period 1901-54 a 3-mile limit was maintained, but in 1954 the territory was expanded due to a fixing of the 3-mile limit from certain baselines. Four years later, in 1959, the fishing-limit was displaced to 6 nm for British fishermen, but 12 nm for other nations without historical traditions in the area. Negotiations undertaken the following years collapsed and in 1964 the Danish government proclaimed a 12nm fishing-limit from straight baselines.

In retaliation, the traditional Faroese landings of iced fish in British harbours by long-liners and trawlers during the winter season were subjected to severe quota restrictions. By now, a period began of intensive investments in modern fil-

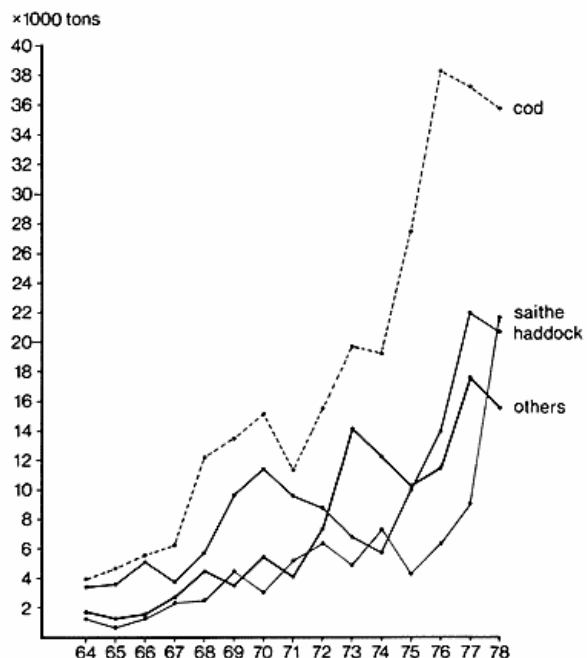


Fig. 4. Landings of fresh fish according to species, 1964-77.

Fig. 4. Artssammensætningen i råfiskelandingerne, 1964-77. Årbog for Færøerne.

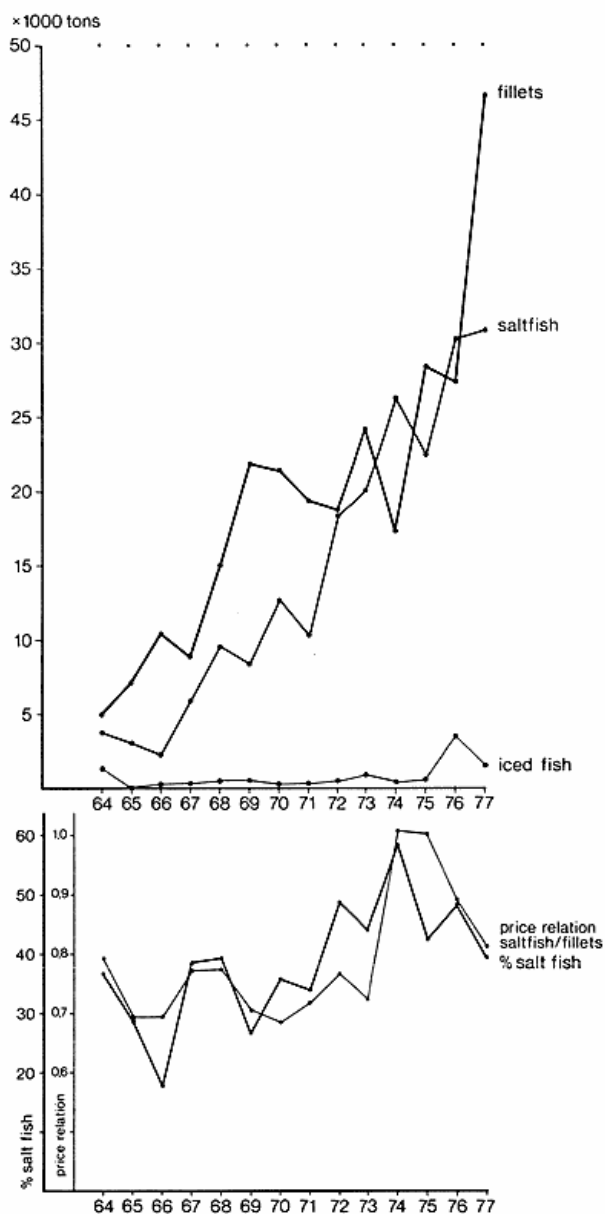


Fig. 5. Catches of fresh fish divided according to further processing, 1964-77. The lower part of the figure illustrates the relation between the percentage of catch processed as saltfish and the price relation saltfish/fillets on the export market.

Fig. 5. Råfiskefangsternes anvendelse til filet, saltfisk og isfisk, 1964-77. Nederste del af figuren illustrerer sammenhængen mellem den procentdel af fangsten, der forarbejdes til saltfisk sammenholdt med prisrelationen mellem saltfisk/filet på eksportmarkedet. Årbog for Færøerne.

leting- and freezing plants on the Islands. Subsequently the catches of fresh fish were switched to these new plants. In 1965 only 10,500 t of fresh fish were landed on the Faroes, but the following ten years the amount quintupled (cf. fig. 4). The landings to these factories are processed as frozen fillets or as saltfish depending on species, sizes and price relations between the end products on the markets as illustrated in fig. 5.

Table 1. Bilateral agreements on fishing between Faroe Islands and Iceland, Norway, USSR, Canada, ICNAF, and EEC in 1978

| Agreement with: | Faroeese fishery | Fishery in Faroeese waters |
|-------------------------|---|--|
| Iceland | 35,000 t capelin 17,000 t demersal (max. 7,000 t cod) | 35,000 t blue whiting |
| Norway | 7,500 t cod 1,500 t haddock 1,500 t other species 13,000 t mackerel | 12,000 t ling, tusk, saithe. Blue whiting fishery with 35 vessels |
| USSR | 8,000 t cod 2,000 t flatfish 25-30,000 t capelin Prawn fishery on experimental basis | 50-60,000 t blue whiting |
| Canada | 810 t cod 1,105 t black halibut | |
| Flemish Cap (ICNAF: 3M) | 6,840 t cod | |
| EEC | 41,000 t mackerel 950 t ling (Rockall) 550 t tusk 37,500 t norway pout 10,000 t sand eel 30,000 t sprat 1,000 t herring (Skagerak) 9,325 t prawn (W. Greenland) 15,000 t blue whiting | 6,000 t blue ling 1,500 t ling 4,400 t cod 600 t flatfish 3,600 t haddock 7,000 t red fish 25,100 t saithe 600 t other species 15,000 t blue whiting |

Source: Trettvik (1978), Årbog for Færøerne.

As an intermediate arrangement, six countries accepted an agreement in 1973 which reduced the fishing effort and the catches in five »boxes« outside the existing 12 nm fishing-limit. But on March 1st, in 1977, the 200 nm limit came into force around the Faroe Islands, and almost simultaneously other countries around the North Atlantic took the same step. This situation introduced a new era for Faroeese fishing in foreign as well as in local waters.

Frame agreements have been established with the countries adjacent to the areas described earlier in this paper; in yearly special agreements, amounts and species are adjusted. Figures for the Faroeese quotas and catches in these areas and the equivalent figures for the other side in domestic waters are set up in table 1. It shall be mentioned that great differences are found in the quid pro quo ratio. Canada has no quotas in Faroeese waters as they have no tradition for fishing there. Principally, Iceland may take as much trashfish as they give, whereas the whitefish quota is given unconditioned. The agreement with Norway and the EC is obviously aiming at an equal exchange, but special troubles have arisen in the relations with the EC. Since 1973, the Kingdom of Denmark, of which the Faroe Islands are a part with home rule, is a full member of the EC, but the Faroes are not, i.e. the statutory instruments of EC provisionally - according to the wishes of the local government - have not been put into force. The Faroeese insist on their full Danish citizenship, and consequently also on their special rights in Danish waters of which the Skagerak with herring and West Greenland with prawns are of outstanding interest. The EC on the other hand has treated the Faroeese just as another third country with the effect that the Faroeese quotas have successively

Table 2. Total catch, Faroese share and TAC for the Faroe area

| | Mean catch 1970-75 | Faroese catch % 1973 | Catch 1977 | Faroese catch % 1977 | Catch 1978* | Faroese catch % 1978 | TAC in tons | | |
|-----------|--------------------|----------------------|------------|----------------------|-------------|----------------------|-------------|--------|--------|
| | | | | | | | 1977 | 1978 | 1979 |
| Cod | 29,410 | 48 | 36,869 | 79 | 31,074 | 91 | 32,000 | 30,000 | 28,000 |
| Haddock | 18,445 | 34 | 25,541 | 78 | 18,943 | 97 | 20,000 | 23,000 | 20,000 |
| Saithe | 41,597 | 5 | 34,829 | 15 | 27,948 | 57 | 45,000 | 45,000 | 31,000 |
| Tusk | 4,571 | 47 | 5,362 | 57 | 11,693 | 42 | | | |
| Ling | 5,529 | 19 | 5,564 | 30 | | | | | |
| Blue Ling | 4,344 | 3 | 8,830 | - | | | | | |
| Red Fish | 5,755 | 1 | 7,399 | 1 | 8,195 | 13 | | | |

*). Preliminary figures

Source: TÍðindi frá Fiskirannsóknarstovni 1978, 2. Árbog for Færøerne 1978.

been reduced. For the pioneering Faroese prawn fishery off West Greenland with expensive, specialized trawlers, it has been a menacing development as they have no real alternative. But also for the trashfish trawlers and the herring purse-seiners relying on the North Sea, as well as the specialized processing factories have been hit. Unfortunately the Faroese vessels have not yet been able to take full advantage of the agreement with the Soviet Union, as whitefish catches in this area have failed recently.

Although 148 species have been found on the banks around the Faroes, only a score of them have been the object of commercial fishing. Hereof cod, haddock and saithe made up more than 80% of the catches at the beginning of the 1970s, but since then fishing for blue whiting and diversified efforts to exploit other species have been speeded up.

Table 2 shows clearly how Faroese vessels have been able to take an increasing percentage of the total catches of different species. Thus, the most valuable stocks, cod and haddock, have been increasing from 48% and 34% respectively in 1973, to 91% and 97% in 1978. The percentages of other catches have also been rapidly increasing, and the only stock in the coming years able to add an appreciable amount to the catches from this area is saithe. The preliminary figures from 1979 are suggesting, however, that this reserve is almost fully utilized. Another conclusion can be drawn which more than hints a grave situation for this industry. The total amounts of cod and haddock have decreased, and a simple comparison between the TAC and catch figures in fig. 7 reveals that the catches, including the Faroese ones, have been too large with the result that the stocks are by now overexploited.

THE FISHING FLEET

The marked changes in the Faroese fishery, as a consequence of new basic conditions, have necessarily caused

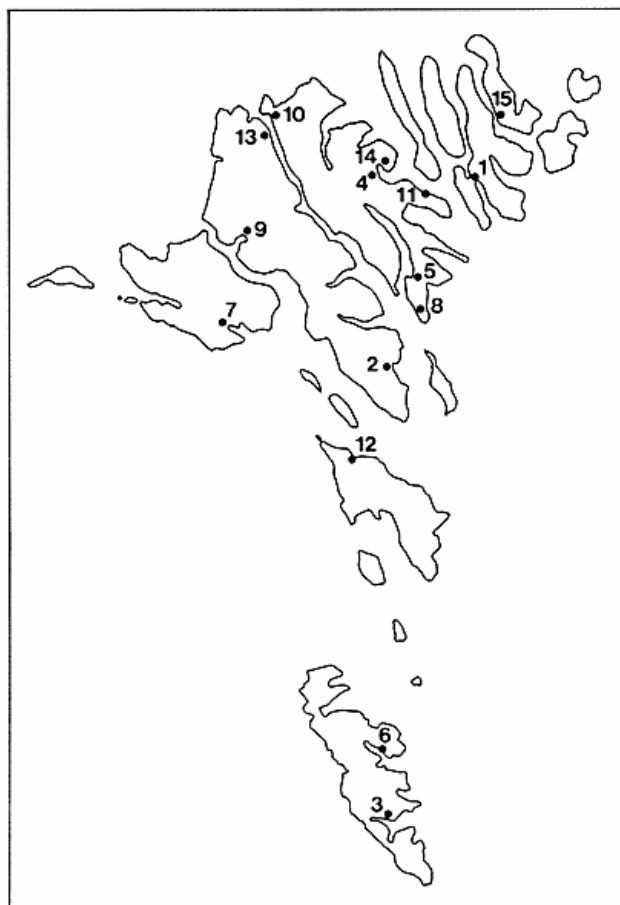


Fig. 6. Landings to the Faroese fillet plants 1978 and 1979. The numbers under the columns relate to the inserted map.

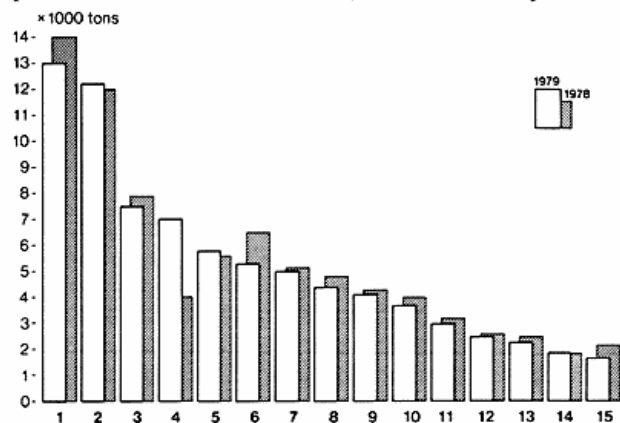


Fig. 6. Indhandlede mængder til de færøske filletfabrikker 1978 og 79. Tallene under søjlerne henviser til tallene på kortet. Sosialurin 5.1.80.

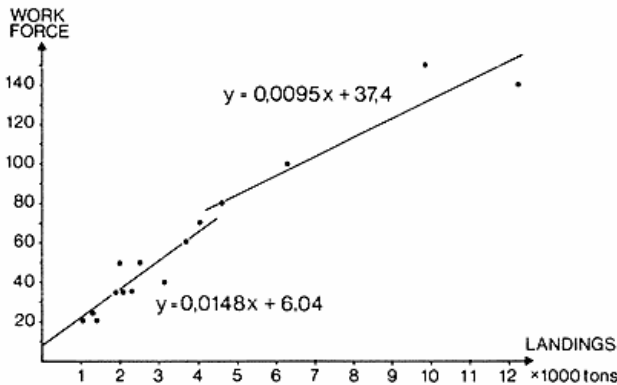


Fig. 7. The relation between the working force and the landed amounts of fresh fish to the fillet plants in 1976. The regression lines and their equations for plants receiving less or more than 4500 tons resp. are delineated.

Fig. 7. Relationen mellem arbejdsstyrken og de indhandlede fiskemængder til filletfabrikkerne i 1976. Regressionslinjerne og deres ligninger for fabrikker der modtager henholdsvis under eller over 4500 tons er gengivet. R. Guttesen, (1979)

changes in the composition of the fishing fleet. Although in size and equipment well suited for fishing in distant waters, vessels may not be suitable to the new conditions. This presumption is verified by the figures in table 3 with classification according to mode of fishery as well as to size.

The number of vessels in the shown period reveals that a dramatic restructuring and adaption has taken place. The most obvious trend is the ten-folding of the number of middle-sized trawlers with an accelerating rate during the period. It is this type of vessel which has managed the increasing landings to the Faroese processing industry. The biggest of these trawlers exploit both Faroese as well as Icelandic and sometimes even North Norwegian waters. The smaller ones, as well as some of the other classes (longline vessels 20-100 GRT and longline/trawlers usually 20-55 GRT) just exploit Faroese grounds. The latter, the combined longline/trawl vessels, take advantage of an exemption permitting them to use trawl gear in five »boxes« inside the old 12 nm limit. Originally, this exemption was given in 1973 to make it possible for small trawlers to exploit the stocks of flatfish, but their percentage of the catches has been steadily decreasing. To some degree the price relation between cod and lemon sole or other flatfish species can explain this, it is more profitable to trawl for cod.

The class of longline vessels over 100 GRT comprises in reality vessels engaged in very different fisheries. Some of the biggest shelter-decked ones are still engaged in the traditional saltfish fishery off Newfoundland, while others exploit Faroese and Icelandic grounds and land their fresh fish catches to the processing industry.

Traditionally, trawlers over 500 GRT caught saltfish off Iceland, Greenland, Newfoundland and North Norway, but now all cod fishery off Greenland has stopped; the Faroese Newfoundland quota is reserved for a few big longline vessels, and the Iceland quota is used by smaller vessels landing to the Faroese processing industry. Thus only the

Table 3. Development of the Faroese fishing fleet 1974-79

| Type | GRT | 1974 | 1977 | 1979 | 74-77 | 77-79 | 74-79 |
|------------------------|---------|------------|------------|------------|------------|------------|------------|
| Long-line vessels | 20-100 | 56 | 47 | 51 | -9 | +4 | -5 |
| --"-- | 100- | 29 | 36 | 37 | +7 | -2 | +5 |
| Long liners/trawlers | | 26 | 36 | 37 | +10 | +1 | +11 |
| Trawlers | 20-55 | 4 | 12 | 14 | +8 | +2 | +10 |
| " | 55-110 | 1 | 2 | 3 | +1 | +1 | +2 |
| " | 110-500 | 5 | 14 | 49 | +9 | +35 | +44 |
| " | 500- | 6 | 5 | 6 | -1 | +1 | 0 |
| Trashfish trawlers | | 31 | 24 | 13 | -7 | -11 | -18 |
| Purse-seiners | | 18 | 13 | 7 | -5 | -6 | -11 |
| Purse-seiners/trawlers | | 1 | 6 | 11 | +5 | +5 | +10 |
| Freezers | | 4 | 6 | 4 | +2 | -2 | 0 |
| Prawn-trawlers | | 6 | 15 | 17 | +9 | +2 | +11 |
| Other fishingvessels | | 29 | 26 | 12 | -3 | -14 | -17 |
| Total | | 216 | 242 | 258 | +26 | +16 | +42 |

Source: Almanakki 1974, 1977, 1979

banks off northern Norway and in the Barents Sea are left for the big saltfish trawlers. Part of the year, some of them change to the Faroese grounds for landings of fresh fish, especially saithe.

Moreover table 3 clearly reflects the vanishing possibilities for the purse-seiners and trashfish trawlers which mainly rely upon the stocks in the North Sea. Many of them have been rebuilt into fresh fish trawlers. On the other hand the figure also indicates the increasing share of the combined purse-seiners/trawl vessels which are better suited to exploit the different accessible stocks such as capelin and blue whiting.

It is remarkable that the number of prawn trawlers is not on the decline, but as already mentioned some of them have been hired out to Canadian firms, thus avoiding the immediate consequences of the reduced EC quota in Greenland waters.

PROCESSING INDUSTRY

In 1978-79 the Faroese fillet plants had capacity to handle about 80,000 t of gutted fish, and in 1979 fifteen plants were producing all the year round, cf. fig. 6. The location of the factories is very decentralized, partly because of a more or less formulated policy from the authorities to promote living conditions in all major inhabited villages and islands. With two exceptions, the result is that every village with more than 4-500 inhabitants has its filleting plant or, as in one case, serious plans to establish one. In addition to this, three villages with only 300-350 inhabitants also have their own small plants. The two exceptions mentioned are villages situated on the exposed coast and therefore unable to yield sufficient harbour facilities.

The existing plants are equipped with one to five fillet processing lines. Thus the smallest ones with annual landings of about 2,000 t must have a staff of 30-40. On fig. 7, the relation between landings and working force in different plants is shown for 1976. The numbers for working force are not precise, but are usually just given in rounded figures. The equations for the two regression lines indicate, not un-

expected, that large plants are using less labour to handle one ton of fish than smaller ones.

In most cases the plant is a common »village enterprise« set up by inhabitants, municipality, or trade unions - in different combinations. Only 5 to 6 of the plants can be said to be owned by companies on a capitalistic basis. With one exception, these are the largest, however. On fig. 6 they have number 1-5 and 11. During the last few years these have also been the most expanding ones.

PRICE SYSTEM AND SUBSIDIES

In 1975 a new price system was introduced. By then, the fish prices were so low that most fishery stopped. The new system fixes a landing price for a period of 4 months for all species and sorts, i.e. the price vessel and crew receive for the catches landed; the intention is that it shall be profitable to fish all species and that the mean income of the fishermen must not go below a tolerable minimum.

Processing plants, however, are paying another, usually lower price for the catches, a kind of clearing price fluctuating with the world market price. The difference between landing and clearing prices is paid by a fund provided by the Budget.

In a number of ways the fishing industry is supported and subsidized. Thus there is a guaranteed minimum wage for the crew, price support for fish from distant grounds, and fuel oil for vessel engines is subsidized and similar arrangements. In all, the system amounted to 52 mill. kr. in 1978-79, i.e. 12% of the Budget.

CONCLUDING REMARKS

Especially, the rights and possibilities in EC-waters, including Greenland, have been reduced. This development has hit some important types of fisheries, such as purse-seining, trashfish- and prawn-trawling. The Faroese misinterpretation of their rights and possibilities as Danish citizens outside the EC has had unforeseen effects with the increasingly comprehensive regulations in these areas during the second half of the 1970s. On the other hand, the increase and diversification in Faroese catches in domestic waters have been remarkable.

During its adaption process the fishing fleet has consequently changed its composition but, on a whole, continued to grow. It is difficult to decide whether the efforts to direct or just influence this process have been successful, as there has not existed a clearly formulated fishing policy. But it can be stated that the fleet, today forced to rely on domestic grounds, has an overcapacity. In addition it has not been possible to limit the domestic catches with overfishing as the inevitable result. Several of recently procured large vessels for fishing in distant waters, i.e. two expensive saltfish trawlers and some of the prawn trawlers have been misinvestments.

The onshore processing plants are highly dispersed as many of them have not been established for profit's sake only, but rather with the purpose, as »village enterprises«, to secure working places and prevent depopulation.

Together with the planned extensions and new plants, there will be capacity enough to handle what the stocks in the Faroe waters can yield with minor supplements from quotas in adjacent areas. When this full capacity will be reached, a specialization - and selection process must be foreseen as the growth can no longer be mainly extensive, and the competition for raw materials will be intensified.

Combined with the crisis effects from the outside capitalistic world all these problems are presumed to become acute this year (1980) or very soon. The contradiction between an obvious need for a central planning and the spontaneous development based on private ownership to the means of production calls for a solution. But even if this contradiction is ripe, the subjective conditions for its dissolution are not.

RESUME

Der gives en kortfattet oversigt over de store ændringer, som det færøske fiskeri og fiskeindustri har gennemgået indenfor de seneste ti år. Lidt mere udførligt beskrives udviklingen i fiskeriet omkring Færøerne. I denne beskrivelse indgår problemerne omkring nye arters udnyttelse til kommercielt fiskeri, samt et afsnit, der oprider de omfattende ændringer af fiskeflådens sammensætning, der har fundet sted som følge af fangstmulighedernes forandring. Endvidere gives der oplysninger om det prissystem som blev indført i 1975, med en indhandlingspris, som gælder i forhold til fartøjerne og deres mandskaber, samt en afregningspris, som er den pris virksomhederne betaler for landingerne. Den forskel der opstår, bliver udlignet af en fond, der finansieres over finansloven. I konklusionen fremhæves to problemer. Dels har Færøernes stilling som en del af Det danske Rige, der ikke deltager i EF's ordninger, resulteret i en meget presset situation i forhold til EF på fiskeriområdet. Dels kan det diskuteres, hvor klar og fremsynet Færøernes politik på erhvervs- og især fiskeriområdet har været. En for svag regulering eller manglende styring har bevirket, at flåden med sin nuværende struktur og effektivitet er kommet i en akut krise, som forstærkes af krisen i andre dele af Verden. Til sidst antydes, at der vil opstå en ny situation, når væksten ikke længere kan foregå hovedsagelig extensivt som hidtil, idet der ikke vil være muligheder for øgede fangstmængder. Det forudses at der i denne situation vil foregå en specialiserings- og selektionsproces i forarbejdningsleddet.

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expected, that large plants are using less labour to handle one ton of fish than smaller ones.

In most cases the plant is a common »village enterprise« set up by inhabitants, municipality, or trade unions - in different combinations. Only 5 to 6 of the plants can be said to be owned by companies on a capitalistic basis. With one exception, these are the largest, however. On fig. 6 they have number 1-5 and 11. During the last few years these have also been the most expanding ones.

PRICE SYSTEM AND SUBSIDIES

In 1975 a new price system was introduced. By then, the fish prices were so low that most fishery stopped. The new system fixes a landing price for a period of 4 months for all species and sorts, i.e. the price vessel and crew receive for the catches landed; the intention is that it shall be profitable to fish all species and that the mean income of the fishermen must not go below a tolerable minimum.

Processing plants, however, are paying another, usually lower price for the catches, a kind of clearing price fluctuating with the world market price. The difference between landing and clearing prices is paid by a fund provided by the Budget.

In a number of ways the fishing industry is supported and subsidized. Thus there is a guaranteed minimum wage for the crew, price support for fish from distant grounds, and fuel oil for vessel engines is subsidized and similar arrangements. In all, the system amounted to 52 mill. kr. in 1978-79, i.e. 12% of the Budget.

CONCLUDING REMARKS

Especially, the rights and possibilities in EC-waters, including Greenland, have been reduced. This development has hit some important types of fisheries, such as purse-seining, trashfish- and prawn-trawling. The Faroese misinterpretation of their rights and possibilities as Danish citizens outside the EC has had unforeseen effects with the increasingly comprehensive regulations in these areas during the second half of the 1970s. On the other hand, the increase and diversification in Faroese catches in domestic waters have been remarkable.

During its adaption process the fishing fleet has consequently changed its composition but, on a whole, continued to grow. It is difficult to decide whether the efforts to direct or just influence this process have been successful, as there has not existed a clearly formulated fishing policy. But it can be stated that the fleet, today forced to rely on domestic grounds, has an overcapacity. In addition it has not been possible to limit the domestic catches with overfishing as the inevitable result. Several of recently procured large vessels for fishing in distant waters, i.e. two expensive saltfish trawlers and some of the prawn trawlers have been misinvestments.

The onshore processing plants are highly dispersed as many of them have not been established for profit's sake only, but rather with the purpose, as »village enterprises«, to secure working places and prevent depopulation.

Together with the planned extensions and new plants, there will be capacity enough to handle what the stocks in the Faroe waters can yield with minor supplements from quotas in adjacent areas. When this full capacity will be reached, a specialization - and selection process must be foreseen as the growth can no longer be mainly extensive, and the competition for raw materials will be intensified.

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