

SCOTLAND'S FUTURE AND SCOTTISH FISHERIES

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Scotland is one of the world's wealthiest countries. We are rich in human talent and natural resources. We have world-class industries and many economic strengths.

Scotland **can** be an independent country. We believe that Scotland **should** be an independent country. The referendum on 18 September 2014 is a choice between two futures for our country. If we vote Yes, we take the next step on Scotland's journey.

The most important decisions about our economy and society will be taken here in Scotland by the people of Scotland. Scotland's future will be in Scotland's hands.

Fishing is one of Scotland's great industries – one that has suffered more than most under the current constitutional arrangements and therefore has much to gain under independence.

As an industry it's far more important to Scotland than to the UK as a whole. Our fishing and wider seafood sectors will be a much greater priority in an independent Scotland.

We have a rich fishing heritage and the industry, together with its associated sectors such as processing, plays an important part in our economic success and in our social and cultural identity.

Scotland accounts for over two thirds of the UK's fishing industry yet UK Ministers don't allow Scottish Ministers to speak at European Councils where many of the big decisions are made affecting thousands of Scottish livelihoods – people working on fishing vessels, in our processing factories or at the quayside.

In my role as Scottish Fisheries Minister, I'm forced to sit in silence whilst other nations of Scotland's size - and smaller - make their case and negotiate on behalf of their countries. This is despite the fact that Scotland accounts for the fourth largest sea area in core European Union waters and that one fifth of the European Union's catch is taken from Scottish waters.

Fishing will always be an absolute priority for any Scottish Government.

To me it is inconceivable that any Scottish administration would ever describe Scotland's fishing industry as 'expendable', as Westminster civil servants did when preparing to bring the UK into the European Community and the damaging CFP.

An independent Scotland will be a powerful and respected voice at the top table. This will provide the ability to secure better deals for our fishing communities and make the case for ongoing reform of European fisheries policy to achieve sustainable economic growth and promote fisheries conservation.

We'll have our own representation across European and other international institutions. Our representatives will be 100% dedicated to Scottish interests and we won't have to dilute and compromise our priorities with the rest of the UK prior to EU negotiations.

During my seven years as Scottish Fisheries Minister I've worked with five UK Secretaries of State and five UK Fisheries Ministers. Again and again, both the industry and myself have had to bring my UK counterparts up to speed on the importance of Scotland's fishing industry - the largest in the UK - and its key priorities. Scotland has a diverse and rich fishery – from large modern whitefish and pelagic fleets working off shore in the North East Atlantic out of our East Coast and Shetland ports, to

inshore vessels catching highly prized langoustine from pristine waters off the West Coast, to scallopers operating nomadically along the breadth of the UK coast – all catching the highest quality seafood, much of it for export around the world.

Continued access to the European Union's single market of upwards of 500 million citizens and 20 million businesses is important for all of Scotland's goods and services, including our world-class fish, shellfish and fisheries products. Following a vote for independence the Scottish Government will immediately enter into negotiations with the UK Government and EU Member States to ensure that an independent Scotland achieves a smooth and timely transition to membership of the EU. Scotland will negotiate the terms of membership during the period we are still part of the UK and, therefore, still part of the EU.

This short paper sets out how Scotland's fisheries will be affected by independence – it answers important questions and focuses on five key gains for our fishing industry:

Gain 1. Fishing will be a national priority

Fishing will always be a priority in an independent Scotland and will never be used as a bargaining chip in wider negotiations. UK Governments have described the Scottish industry as expendable - but in Scotland our industry is invaluable.

Gain 2. Direct representation in the European Union and the ability to negotiate our own priorities without compromise

As a leading fishing nation, Scotland will bring a positive, cooperative but strong voice to the EU. As an equal partner with other Member States, we will have a stronger platform to ensure that fisheries policies are designed and implemented in ways that work for Scotland. An independent Scotland will be a leading voice for ongoing reform of European fisheries policy guided by the principle that more decision making should be at national and regional level.

Gain 3. Protection of Scotland's fishing quotas for future generations

An independent Scotland would receive its relative fair share of European fish quotas through a fixed arrangement, enshrined within the Common Fisheries Policy, and it would be able to keep quota holdings in Scotland for the benefit of the catching and onshore sectors. Only Member States can stop quotas being sold beyond their borders. Independence would also put an end to routine top-slicing of Scottish quota by the UK Government.

Gain 4. A fairer share of EU fisheries budgets

At present Scotland accounts for 8% of the European Union's fish landings but will receive only 1.9% of the total European Maritime and Fisheries Fund allocation. This is the disgraceful legacy of decades of poor negotiation by UK Fisheries Ministers. Securing a better deal will be a priority for an independent Scotland.

Gain 5. Ensure Scotland's fishing levies promote Scottish seafood

With independence, the industry's levies will remain in Scotland to support the priorities of our catching, onshore and wider seafood sectors, rather than helping to promote our competitors.

Yours for Scotland



Richard Lochhead MSP

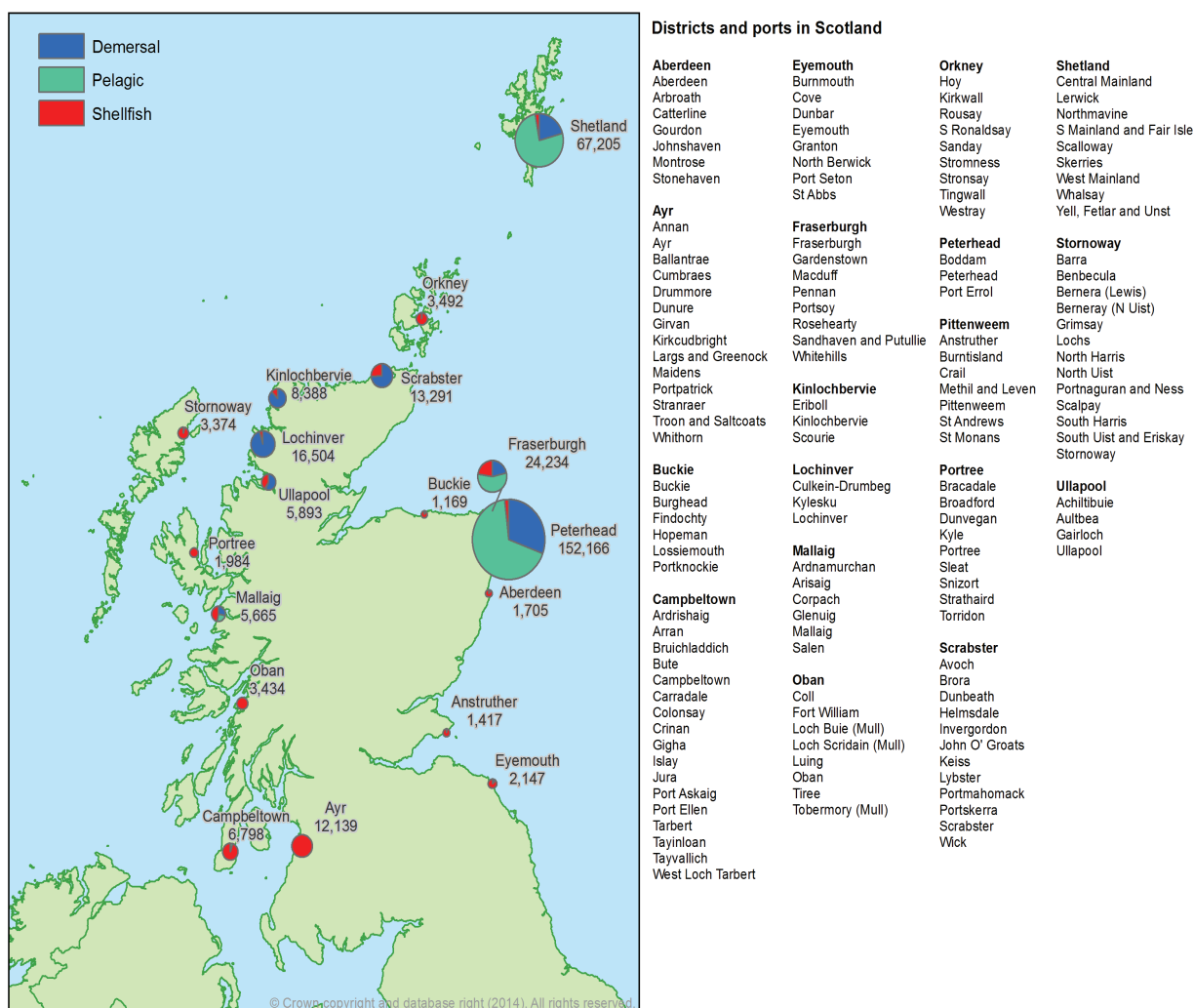
Cabinet Secretary for Rural Affairs, Food and the Environment

Five Fishing Gains from Independence

Gain 1 – fishing will be a national priority

Scotland's fishing industry supports communities all around our coastline and islands. From our whitefish and pelagic fleets fishing out of the larger north and north-east ports to our inshore and shellfish fleets which bring fishing harbours to life throughout the country. In all, around 2,000 vessels employing nearly 5,000 people landed over 366,000 tonnes worth more than £429 million in 2013.¹

Figure: Quantity of Landings into Scotland by all vessels by district, 2012 (tonnes)



The following statistics emphasise the importance of Scotland's fisheries:

- Scotland has the 4th largest sea area in EU core waters.
- The Scottish fishing zone makes up over 60% of UK waters.
- We have some of the richest seas in Europe with around 4 tonnes of fish taken from each square nautical mile of Scottish waters compared to around 1 tonne on average for EU waters.
- Around 70% of UK quotas of key stocks are held by Scottish Producer Organisations.
- Scottish vessels land 87% of the total value of UK landings of key fish stocks.

¹ Marine Scotland provisional statistics.

Value of Scotland's Fishing Industry

Currently, Scotland's fisheries are always at risk of being used as a bargaining chip in the negotiating positions adopted by the UK Government. Issues which are key to Scottish fishermen have to compete with other priorities and can be traded off against wider UK interests.

For example, in the annual negotiations between the EU and Norway, the UK currently negotiates to receive from Norway a significant share of Arctic Cod, none of which benefits Scotland. This is done at a considerable cost to Scottish priorities and is despite the fact that Scotland is the second largest contributor by both volume and value to the amount of fish which the EU transfers to Norway in this negotiation.

Fisheries are far more important in Scotland than in the rest of the UK so an independent Scotland will champion the interests of Scotland's fishing industry, in stark contrast to previous UK administrations.

Table: Value of landings by Scottish vessels, categorised by the waters in which they were caught (2013, provisional statistics)

	Demersal	Pelagic	Shellfish	All
Waters				
Scottish	£111,751,980	£136,195,364	£114,378,141	£362,325,486
EU (non-Scottish)	£15,844,958	£10,022,195	£22,858,197	£48,725,349
Norway	£11,120,026	£5,264,861	£9,894	£16,394,781
International	£510,292	£1,626,621	£12,870	£2,149,782
Total	£139,222,256	£153,109,040	£137,259,102	£429,595,398

Gain 2 – direct representation in the European Union and the ability to negotiate our own priorities without compromise

A Smooth and Timely Transition to EU Membership

Following a vote for independence the Scottish Government will immediately enter into EU membership negotiations with the UK Government and other EU Member States to ensure that Scotland achieves a smooth and timely transition to independent membership of the EU. Scotland is at the heart of delicate, complex and longstanding fisheries agreements involving 27 other countries within the EU and beyond. It would be in no-one's interest to disrupt this state of affairs and we therefore expect EU Member States to be keen to see Scotland effect a smooth transition to membership.

The negotiations will be conducted between the date of the vote on 18th September and 24th March 2016, when Scotland becomes an independent state. During this period Scotland will remain part of the UK and therefore part of the EU.

The UK Government's own legal advisor, Professor James Crawford, has said that 18 months is a 'realistic' timescale for this process. During this period there would be no change from the current state of affairs, including with regard to fisheries regulations and access to other Member States' waters or in relation to our allocation of the UK's fixed quota shares.

Exerting Influence

Independence will, for the first time, give Scotland complete and direct access to EU institutions and its own vote in the EU Council. Countries of Scotland's size can and do drive change in Europe. Denmark and Ireland are two smaller states with big fishing interests which have demonstrated they can be influential in areas that are important to them. There will be Member State-level permanent Scottish representation in Brussels as well as Scottish participation at every level in the EU policy process.

For example, Scotland has long felt frustrated by the shortcomings of the Common Fisheries Policy (CFP), which has not served our industry well to date. In recent years Scotland has strived to point out these shortcomings and many of them have been recognised by the EU institutions, with the result that much-needed reforms - such as regionalised decision-making - have now been put in place, albeit these reforms remain too modest. As an independent Member State we would have a far stronger platform to lead the way in ensuring these reforms are effectively implemented in Scotland's interests and in driving further reforms vital to shaping a CFP that works for Scotland. We will move from the side-lines to centre stage and from being silenced to being one of the most important and respected voices at Europe's top table.

Effective Management

Scotland is a vital delivery partner in managing Europe's most complex mixed fishery. As an independent Member State, Scotland will bring a positive, cooperative but strong voice to the EU, sharing knowledge and expertise gathered over many years as one of Europe's foremost fishing nations.

Independence will finally bring to an end to the situation whereby the landlocked countries of the EU – such as Slovakia, Austria and Luxembourg – have more say over EU fisheries policy than Scotland. The key issue is not so much about being a member of Europe - it is about being a Member State in our own right.

Delivering Scottish Priorities

At present, issues that are important to Scotland may not even make it to the EU negotiation table because they have to be sifted out in favour of other UK objectives. As a Member State in its own right Scotland would be able to approach negotiations with clear and focussed priorities based on its own national interests and undiluted by the need to pursue the interests of the rest of the UK.

Scotland would have its own voice at EU Council meetings. Currently the UK Government routinely refuses the legitimate requests of Scottish Ministers to speak at and lead negotiations at EU Councils where Scotland holds the primary interest.

Crucially, things are about to change for the better for smaller states in the EU. In autumn 2014 the qualified majority voting system in the EU Council will change from the current arrangement, in which a Member State is allocated a number of Council votes according to its size, to a voting system based on the "double majority" principle. Under this simpler regime, a qualified majority will be achieved if it represents at least 55% of the Member States (with each Member State having one vote) and 65% of the EU population.

The shift to a double majority voting system will strengthen the role that smaller states play in the EU negotiating process. An independent Scotland will always be able to negotiate based on Scotland's national interests and, should a vote be called, align itself to whatever position best suits those interests.

Of course, in many cases we can expect our interests and those of the rest of the UK to be aligned. When this happens, we will vote together in the EU Council – a situation which will place us in a strong position and, in fact, strengthen the rest of the UK as it would gain an ally at the negotiating table. But, crucially, independence will mean that we can always put Scotland's interests first and align ourselves differently in accordance with those interests, if necessary.

Value of Scotland's Seas

Scotland is also vital to international fisheries. This is reflected by the fact that vessels from 12 different nationalities fish in our waters. In 2012 they spent well over 20,000 days fishing in the Scottish zone. Over 20% of the EU's catch is taken from Scottish waters. Independence will therefore allow Scotland to negotiate as one of Europe's foremost and most respected fisheries nations. Scotland's expertise and record as a constructive European partner means we would be able to wield significant influence and authority with other EU Member States in fisheries negotiations. The importance of status, as opposed to size, should not be underestimated.

Representing Scotland

Holding the rotating six-month Presidency of the Council of the EU is one way in which smaller Member States can wield significant influence in the EU. During their recent presidencies Ireland and Denmark played a pivotal role in brokering the current reform of the Common Fisheries Policy. Latvia and Luxembourg will be taking the chair in 2015. Scotland would join the ranks of these countries that are making a difference across the whole of the EU – and we would take our turn to hold the Presidency, hugely increasing our influence over European matters.

An independent Scotland would also gain the right to a European Commissioner, with the fisheries brief a possibility given Scotland's importance to European fisheries. And we would have more MEPs from Scotland – possibly double the current number - further strengthening Scotland's voice in the European Parliament, which holds key influence due to its co-decision making powers.

Gain 3 - protection of Scotland's fishing quotas

An independent Scotland would receive its relative fair share of European Union fish quotas through a fixed arrangement, enshrined within the Common Fisheries Policy, by which quota is allocated among EU Member States.

We expect to hold negotiations with the UK to reach agreement on how the UK's current relative share should be split between Scotland and the rest of the UK. A Concordat is currently in place which gives Scotland a share of UK quotas and it will be in the interests of both Scotland and the rest of the UK to agree an appropriate and fair set of final allocations, ensuring that the normal fishing practices of each nation can continue unaffected.

We would be negotiating from a position of strength given the importance and value of our waters and the level of our fishing activity. We would act to ensure that Scotland's interests lay at the heart of any agreement on the division of shares.



Securing a Fair Deal

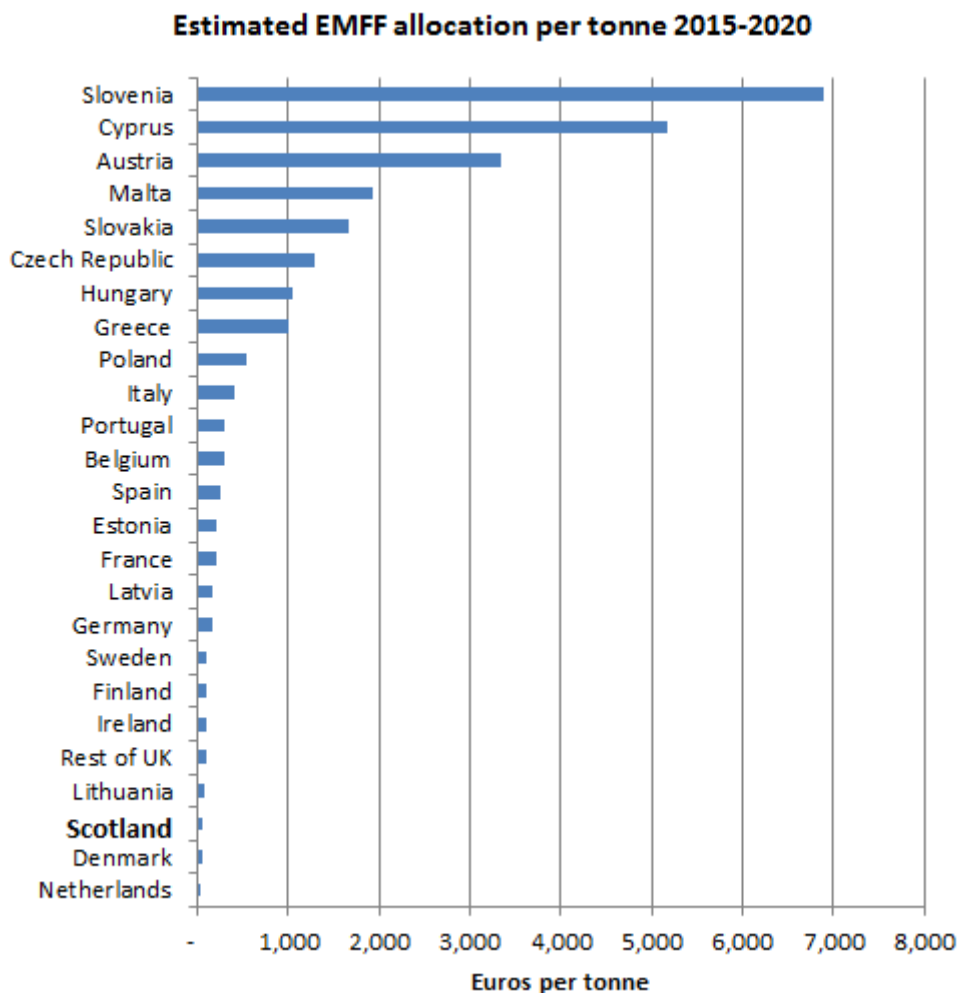
Furthermore, only independence can safeguard the future of Scotland's fishing communities and seafood sectors by preventing our fishing quotas - the industry's lifeblood - from being permanently transferred from Scotland to the rest of the UK. It is noteworthy that Scotland is the only part of the UK which has managed to retain and protect a large off-shore fishing fleet, still held locally in Scottish hands. By contrast, the once-great off-shore fleet in the rest of the UK has drastically diminished, with vessels either sold for scrap or lost to foreign ownership.

Currently the UK routinely removes some of Scotland's rightful share of quota allocated by the EU before it reaches Scotland, in order to benefit sections of the English industry. The UK Government has ignored repeated objections from Scottish Ministers. This amounts to a confiscation of Scotland's fish at the expense of the Scottish industry. Independence would protect Scotland from such practices.

Protecting our quota allocation is vitally important but an independent Scotland will still be able to take part in international deals, swaps and leasing arrangements to bring in additional quota on an annual basis to further support our fishing businesses.

Gain 4 - a fairer share of EU fisheries budgets

Scotland will receive an allocation of €107 million over the next seven years from the European Maritime and Fisheries Fund (EMFF), which has just been negotiated by the UK Government. Scotland's share of this fund equates to €49 per tonne of fish landed – the 3rd lowest allocation in Europe. This is only 1.9% of the total EMFF allocation, significantly less than other Member States with fishing sectors similar in size to that of Scotland.



To make matters worse, the general policy of the UK Government is to reduce the size of European funds and in line with this policy it sought to reduce further the funds provided to Member States from the EMFF, and thereby the support available to Scotland's fishing, aquaculture and fish processing industries. This was against Scotland's wishes.

Delivering Greater Benefits to Scotland

These are funds which, among other things: help the sustainable development of fishing communities across the country; enable the delivery of research and innovation to underpin new approaches to fisheries management; support major reforms such as the ban on discards; provide vital help to re-fit ageing vessels; and aid the modernisation of on-shore facilities, for example in the fish processing sector. Scotland can't afford continually to lose out on these funds, as we have done as part of the UK.

At present, Scottish administrations can lobby the UK for compromises to mitigate the impacts on our fishing, aquaculture and fish processing industries, but this simply avoids the worst rather than strives for the best. An independent Scotland will be able to negotiate for significant increases in European fisheries funding rather than exerting energy to mitigate or avoid budget reductions supported by the UK Government.



Gain 5 - ensure Scotland's fishing levies promote Scottish seafood

The levies raised from the Scottish industry by the UK-wide body Seafish currently contribute to meeting Seafish's wide range of objectives, which try to address the disparate and sometimes competing interests of all four UK countries.

In an independent Scotland we will ensure these levies stay in Scotland and are invested effectively to support our own industry's objectives and the priorities of our catching, onshore and wider seafood sectors.

For example, smaller-scale Scottish businesses currently have to compete with the interests of large multi-national English-based fishing interests in shaping Seafish's investment decisions. Industry requirements are often very different on either side of the border. Scottish interests tend to focus on the needs of a large fleet catching fresh fish and its associated supply chain, while many of the largest interests in the rest of the UK are primarily concerned with frozen imports of fish caught outside UK waters.

With independence we could ensure that all Scottish industry levies are dedicated to the needs of the Scottish industry, not its competitors.

Furthermore, an independent Scotland, with its own fund of industry levies and using the trading presence of an independent country with its own foreign representations, would be in a stronger position to market its top quality seafood overseas and forge new openings for exports across the globe.

Following a vote for independence these will be our priorities for action:

- Host a summit with the Scottish industry to discuss domestic and European priorities, including immediate issues to put on the EU Council agenda.
- Hold discussions with the European Fisheries Commissioner, as well as Ministers from other Member States, on fishing-related matters and issues of joint interest.
- Play a full role in negotiations at EU Fisheries Councils and other international decision-making fora, working to deliver what is best for Scotland.
- Enter into negotiations with the rest of the UK and the EU to fully define our fishing rights and a fair set of final quota allocations.
- Establish a formal international quota exchange function with other EU Member States to ensure we can access the additional fishing quotas necessary for our fleet.
- Host a Ministerial conference with neighbouring North Sea and Western Waters coastal states, to explore joint approaches and alliance building on a range of issues that affect us all.
- Ensure that the obligation to land all catches and ban discards is implemented in a practical, achievable and sensible fashion, seeking reform or removal of regulations, such as the Cod Recovery Plan, that are at odds with the landing obligation.
- Establish new mechanisms to ensure that Scottish industry levies are dedicated fully to the support and promotion of the industry in Scotland.
- Review the role and organisation of Marine Scotland, given that it is now five years since its establishment.

Key questions about Scottish fishing

How will Scotland become an independent member of the European Union?

Following a vote for independence the Scottish Government will immediately enter into negotiations with the UK Government and EU Member States to ensure that an independent Scotland achieves a smooth and timely transition to independent membership of the EU. Scotland will negotiate the terms of membership of the EU during the period we are still part of the UK and, therefore, still part of the EU.

A potential scenario whereby the vessels of 12 EU Member States would lose access to fishing opportunities in Scotland's waters - the fourth largest and among the richest of the core waters of the EU - cannot be seriously entertained.

We are proposing a practical, common sense approach to membership, which means that there will be no detriment to any other member of the European Union as a result of Scotland's continued membership.

How will an independent Scotland's interests be prioritised at the Council of Ministers for Agriculture and Fisheries?

Independence will give Scotland its own voice in Europe, participating at every level in the EU policy process and ensuring the Scottish Government is able to promote and protect Scotland's national interests in EU affairs. Fishing and agriculture are important sectors of the Scottish economy and will be priority areas for negotiation in the EU.

How will Scotland's fishing quotas be determined following independence?

Following a vote for independence, the Scottish Government will enter into negotiations with the rest of the UK and with the EU institutions to fully define our fishing rights and other key issues. At present, Scotland's fishing opportunities are provided for in a concordat among the UK nations, which gives Scotland a share of UK quotas. It will be in the interests of both Scotland and the rest of the UK to agree an appropriate and fair set of final allocations so that the normal fishing practices of each nation can continue unaffected.

Will the management of Scotland's quotas be any different in an independent Scotland?

Independence will stop Scottish-held quotas being permanently transferred out of Scotland to other parts of the UK. This is because EU rules do not allow permanent transfers of this nature from one Member State to another. An independent Scotland will therefore be able to retain its quotas for the benefit of its own fishermen.

Will Scottish fishing fleets still be able to declare their catch in England?

Yes. Fishing vessels often land their catch in different countries and independence will make no difference to this.

Will vessels from other EU Member States, including the rest of the UK, still be able to fish in Scottish waters and vice versa?

Beyond 12 nautical miles, the EU's Common Fisheries Policy provides any Member State's vessels with access to all Member States' waters. However they can only fish in waters where they have fishing opportunities (quotas).

Within 12 nautical miles, we would expect to agree with other Member States that vessels from other Member States (including the rest of the UK) with historic fishing rights should be able to continue fishing in Scottish waters, and vice versa.

How will independence affect Scotland's relationship with the European Common Fisheries Policy (CFP)?

As an independent Member State Scotland will be negotiating as one of the foremost and most respected fishing nations in Europe. This status will give Scotland the opportunity to take a leadership role in driving reforms to the CFP and in negotiating annual fishing opportunities within the framework of the CFP. The government of an independent Scotland will be able to negotiate unequivocally for Scottish priorities without having to dilute these in order to suit wider UK objectives.

How will maritime services be delivered in an independent Scotland? What will change in maritime functions with independence?

Scotland has approximately 60% of the seas and coastline of Great Britain. However, the essential maritime institutions (the Maritime and Coastguard Agency, Northern Lighthouse Board and Marine Accident Investigation Branch) are currently controlled by Westminster. The Scottish Government currently has no say in how these essential services are delivered, and there are other areas of impact on the industry such as tax and the borders agency.

Independence will let Scotland shape and develop maritime services that reflect our unique coastline and give the people who use our seas the support they need. The Scottish Government intends that the Maritime and Coastguard Agency will continue to provide its services for the safety of mariners. It also plans that the Northern Lighthouse Board and Marine Accident Investigation Branch will continue its role unchanged in an independent Scotland, funded by existing arrangements for the collection of light dues at Scottish ports through Trinity House.

It will then be for future governments of an independent Scotland to look at how these services would be provided in the years ahead. This may, if appropriate, include developing a distinct Scottish organisation to deliver some or all of these functions.

**Scottish Government
August 2014**

KEEP IN TOUCH WITH THE DEBATE

You can access *Scotland's Future – Your Guide to an Independent Scotland* and keep up to date with the Scottish Independence Referendum and all the latest news through our Referendum website at www.scotreferendum.com



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