For Official Use **AGR/FI(2000)13/PART26**

Organisation de Coopération et de Développement Economiques
Organisation for Economic Co-operation and Development

OLIS : 06-Jul-2000
Dist. : 07-Jul-2000

Or. Eng.

DIRECTORATE FOR FOOD, AGRICULTURE AND FISHERIES
FISHERIES COMMITTEE

AGR/FI(2000)13/PART26
For Official Use

DRAFT REVIEW OF FISHERIES, PART 26

SWEDEN

Attached is the draft chapter on Sweden for the Review of Fisheries, 1998-1999. This document is being distributed for DISCUSSION and APPROVAL at the 86th Session of the Committee for Fisheries, 9-11 October 2000. Please note that statistics will be distributed separately.

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SWEDEN

Summary

1. Sweden is a member of the European Union. In 1998 the catches reached an all time high of 400 000 tonnes. The main part was fish for reduction consisting mainly of herring and sprat caught in the Baltic Sea. In 1999 the catches were down to the 1997 level of about 350 000 tonnes. The landed value increased by about 5% in 1998 compared to 1997 and reached SEK 1 045 million (euros 125 million). In 1999 the landed value is back to the 1997 level. The profitability increased in 1998 compared to 1997. The number of fishers decreases gradually and attained at the end of 1999 about 2 400 persons. The fleet capacity measured in kW (engine power) tonnage (GT) decreased in accordance with the EU plans of the MAGP (Multi-Annual Guidance Programme). The increase of the production in the processing industry has levelled off and the sub-sector has in 1998 a turn-over of about SEK 2,8 billion (euros 330 million). The employment is about 2 100 persons. Both imports and exports have increased both in 1998 and in 1999 and in 1998 the imports amounted to euros 600 million and the exports to euros 370 million. The environmental legislation has been reformed. The central environmental acts have been amalgamated into the Environmental Code, which came into force on 1 January 1999.

Legal and Institutional Framework

2. Sweden is a member of the European Union and therefore the Common Fishery Policy (CFP) and its legislation is directly applicable. The general principles governing the national fishery policy are to be established in a Parliamentary Act. This act also authorises the Government to issue legal acts in order to supplement the CFP and to regulate the fishery outside the CFP. The Government has forwarded this authorisation to the National Board of Fisheries together with some general principles and guidelines. The principal management instruments used are the same as in the CFP. As for concerns on foreign access and foreign investments the rules of the CFP are followed.

Capture Fisheries

Performance

3. The total landings reached an all time high in 1998 with 400 000 tonnes which was an increase by about 50 000 tonnes compared to 1997. The total increase of the volume as well as the main bulk (320 000 tonnes) of the total catches were used for reduction purposes and the species were mainly Baltic herring and sprat. The landings of cod in 1998 were down by 10 000 tonnes to 20 000 tonnes as were the landings of herring for consumption which reached about 35 000 tonnes. The reason for the cod decrease was mainly the poor state of the Baltic stocks and the market for herring was weak. The opposite prevailed for the fish meal and fish oil market, which was very strong. The final figures for 1999 are not yet available but it seems that the total landings will be of the same magnitude as in 1997 (350 000 tonnes). The reduction is attributed to the fodder fishery. The herring catches increased by about 10 000 tonnes to

45 000 tonnes and the cod stagnated as there was no recovery of the stocks. In addition to the stocks mentioned above the catches of mackerel, pandalus borealis and nephrops are significant and rather constant. The coastal fishery is very dependent on eel.

4. The total landed value increased by about 5% in 1998 compared to 1997 and reached SEK 1 045 million (euros 125 million). The value of the reduction landings increased by nearly 50% to SEK 330 million (euros 40 million) but cod decreased slightly due to the circumstances that the sharp declining volumes to some extent were compensated by rising prices. In 1999 the value seems to be of the same magnitude as in 1997 (SEK 1 000 million, euros 118 million). The fodder landings dipped with 40% to about SEK 200 million (euros 24 million) due to the prevailing weak market. Cod prices increased also in 1999, which implied that the revenues increased by about 14%.

5. The profitability in 1998 increased compared to 1997 and especially the bigger pelagic vessels reached good economic results.

6. The employment of the catching sector decreases yearly by about 8% and the workforce attained at the end of 1999 was about 2 400 persons. The processing industry has slightly increased the number of employed and in 1999 the figures reached about 2 100 persons. Both for the catching and the processing industry the employment is calculated as Full Time Equivalent (FTE). There is no statistical collection of the figures covering the employment in the aquaculture sector but the number of employees is estimated to be 400 persons but the FTE is lower because of the seasonal character of the sector.

7. The number of vessels decrease yearly by about 7% and in 1999 there were 1 976 licensed vessels. The tonnage measured as GT (Gross Tonnage) and the engine power (kW) is subject to the reductions foreseen in the MAGP (Multi-Annual Guidance Programme) of the CFP. The total GT and kW in 1999 were 46 000 and 230 000 respectively. The single biggest GT-group is the one between 250 and 499.9 which equals 31% of the total. The average vessel had in 1999 the following characteristics;

1. Tonnage: 23 GT.
2. Engine power: 116 kW.
3. Length: 10 meters.
4. Age: 25 years.

8. As can be concluded from the figures, small coastal vessels dominate the fishing fleet. Compared to 1998 the age was one year less, which implies that the renewal is not keeping pace with the ageing.

Status of fish stocks

9. See EU chapter.

Management of commercial fisheries

10. The management of the commercial fishery is a mixture of measures decided by the National Board of Fisheries (NBF) and the Fishermen's Associations. For some species the principle of free entry for all licensed vessels is also applicable. Concerning cod in the Baltic Sea the NBF has issued a decree specifying the maximum vessel landings per week. The landed quantities are differentiated according to

length and tonnage of the vessel. For salmon in the Baltic the NBF has divided the Swedish quota into regional and seasonal sub-quotas.

11. The Fishermen's Associations have imposed quota regulations on their members covering the fisheries for pandalus borealis in the North Sea and the Skagerrak, demersal fishery in the North Sea, Skagerrak-Kategatt and the herring fishery in the Skagerrak. These quotas are dependent on the size of the crew for (pandalus borelis) or the size of the vessel (other fisheries).

Management instruments

12. The management of fishery resources shall aim not only to ensure sustainable development, but also at a rational exploitation, responsible fishing and higher stability (or at least reduced year-to-year fluctuations) in fishing possibilities. Sustainable fishing does not only cover the quantities of fish taken from the sea, but also the species and the size of the fish, the technique used in the fishery and the area where the fishery is conducted.

13. The main management measures in force are the total allowable catches (TAC), fishing effort and licence, technical measures and co-operation on control and enforcement. During the past few years the need for developing long term management strategies in various fisheries through international co-operation has become increasingly obvious. The aim is to restore depleted stocks and, additionally, to reach a more pronounced stability in fishing opportunities. In this context the introduction of the Precautionary Approach concept in the fishery management is of vital importance.

The setting of total allowable catches and national quotas

14. On the basis of scientific advice from the International Council for the Exploration of the Sea (ICES), the total allowable catches are fixed annually for the different fishing areas. The allocation of the TACs between Contracting Parties is set within international organisations. For Sweden, as an example, one of the most important organisations is the International Baltic Sea Fishery Commission (IBSFC) where yearly TACs for cod, salmon, sprat and herring are decided upon.

15. As the Community is one Contracting Party to the IBSFC, the EU quota is divided between the four member states, Finland, Denmark, Germany and Sweden following the principle of relative stability. The relative stability is a fixed percentage of the Community quota, one percentage for each member state, each species and each fishing area.

Fishing effort and licence to fish

16. The limitation of fishing effort is one way to restrict fisheries and is defined as capacity, in tonnage or engine power, multiplied by activity expressed in days at sea. Since 1995 all vessels fishing in Community waters and EU vessels operating outside Community areas have required a licence. Fishing effort can be regulated through the allocation of special fishing permits stating the terms of access, time and specific fisheries.

Selectivity and conservation

17. Reducing fishing effort and controlling the volume of catches cannot prevent the capture of small fish and fish which have no commercial value. Additional measures are needed to ensure the selectivity of

fishing gear in order to leave the unwanted fish in the sea. This is the role of technical measures. The basic aim of technical measures is to avoid or limit the capture of:

1. Immature fish to allow them to contribute to stock renewal as adults.
2. Unwanted fish because of their lack of commercial value or fish for which fishermen have no more quotas.
3. Marine mammals, birds and other species such as turtles.

Technical measures

18. The technical measures are generally defined by geographical areas and include:

1. Minimum mesh sizes.
2. The use of selective gears.
3. Closed areas and seasons.
4. Minimum landing sizes for fish and shellfish.
5. Limits on by- or incidental catches.

Co-operation on control and enforcement

19. To follow up the international rules and agreements the co-operation on control and enforcement is very important. This co-operation is established by an international network between the control authorities in these states, which have fishing on each other's areas. A frequent reporting of landings also follows up the control.

Access

20. See EU chapter.

Management of recreational fisheries

21. The difference between a professional fisherman and a recreational one is the possession of a professional fishing license. In public waters, professional fishers may use all types and an unlimited number of gears if not otherwise stipulated in any conservation regulation. A recreational fisherman may in public waters only use a limited number of gears and not all types. An example of limitations, is that the total length of the nets are not allowed to exceed 180 meters and the number of pots must not exceed six. There are no restrictions concerning the sale of the catches. In private waters there are no restrictions on the number and types of gears, if not otherwise stipulated in any conservation regulation.

22. In principle all waters around the coast and in the lakes are privately owned up to 300 meters from the shoreline. A fisher is allowed to fish in private waters only with the consent of the owner. The

responsibility for conservation and management in these waters rests on the owners. Many private water-owners have, with state support created fishing management areas with uniform fishing rules and marketing of recreational fishing opportunities for the public. There are, however, some important exceptions to the general rule of the owner's sole right to dispose the waters. Angling is allowed along the coast and in the four big lakes. In the western and southern coasts fishing is allowed on privately owned waters for the public with a limited number of other gears as well as for professional fishers.

23. In 1999 a mail survey was launched in order to picture statistically recreational fishery. The aim of the survey was to obtain answer for the following questions:

1. Catches and its composition?
2. Number of fishing days (effort)?
3. Number of fishers?
4. The money spent by the fishers?

Aboriginal fisheries

24. The Lappish populations living on reindeer breeding in the northern part of Sweden have special fishing rights in the areas allocated to their profession.

Monitoring and enforcement

25. A special logbook for the coastal fishery has been introduced during 1999. This logbook is simplified both in content and the obligations to transmit information to the NBF compared to the ordinary EU logbook. The responsibility to control the marketing standards has been removed from the NBF to the Coast Guard as from 1 January 2000. For other control measures see EU chapter.

Multilateral agreements and arrangements

26. See EU chapter

Aquaculture

Policy changes

27. A new environmental law has been adopted by Parliament, for further information see the chapter on Fisheries and Environment. Concerning aquaculture no changes in substance have been made.

Production facilities, values and volumes

Table 1. Number of farm sites

	1997	**1998**
Rainbow trout	154	131
Eel	4	3
Arctic Char	19	25
Blue mussel	16	10
Crayfish	127	124
Total	**320**	**293**

Source: Statistics Sweden

Table 2. Production volume (tonnes)

Species	**1997**	**1998**
Rainbow trout	5 029	4 457
Arctic char	105	347
Eel	182	232
Blue mussels	2 095	455
Crayfish	10	9
Total	**7 428**	**5 500**
Fish for release		**2 500**

Source: Statistics Sweden

Table 3. Production Value, SEK millions (euros millions)

Species	**1997**	**1998**
Rainbow trout	102 (12)	96 (11)
Arctic char	6 (0.8)	12 (1.4)
Eel	13 (1.5)	14 (1.6)
Others	7 (0.8)	5 (0.6)
Total	**128 (15)**	**124 (15)**

Source: Statistics Sweden

28. The number of employment is estimated to be around 400 persons. As can be concluded from the tables the Swedish aquaculture sector is rather small. It can also be stated that the figures for the crayfish production are an underestimation. According to surveys by the National Board of Fisheries the profitability of the sector is rather good. For many companies the local market is the most important one.

Fisheries and the environment

The environmental code

29. Swedish environmental legislation has been reformed. The central environmental acts have been amalgamated into the Environmental Code, which came into force on 1 January 1999. The Code constitutes modernised, broadened and tightened environmental legislation aimed at promoting sustainable development.

30. Contents:

1. Sustainable development.
2. The role of legislation.
3. The aim of the Environmental Code and its scope of application.
4. General rules of consideration.
5. Objectives and goals for environmental quality.
6. Laws replaced by the Environmental Code.
7. Environmental quality standards.
8. Area and species protection.
9. Environmental sanction charge.

Sustainable development

31. For a long time, legislation has been the central tool with which principles of environmental policy have been transformed into practical measures. The principle of sustainable development has had an increasingly greater impact on both national and international environmental protection since it was introduced by the Brundtland Commission in 1987. At the UN Conference on Environment and Development in Rio in 1992, the concept won recognition as a central point of departure for the future development of society. With the Amsterdam Treaty of 1997, the principle has been written into the EC constitution as one of the goals of the European Union.

Swedish environmental quality objectives

32. Parliament has established 15 objectives for environmental quality that describe the qualities our environment and our common natural and cultural resources must have in order to be ecologically sustainable. The overall aim is for us to be able to hand over a society to the next generation in which the major environmental problems have been solved.

33. The 15 objectives:

1. Clean air.
2. High-quality groundwater.
3. Sustainable lakes and watercourses.
4. Flourishing wetlands.
5. A balanced marine environment, sustainable coastal areas and archipelagos.
6. No eutrophication.
7. Natural acidification only.
8. Sustainable forests.
9. A varied agricultural landscape.
10. A magnificent mountain landscape.
11. A good urban environment.
12. A non-toxic environment.
13. A safe radiation environment.
14. Protective ozone layer.
15. Limited influence on climate.

Environmental quality objective:

A balanced marine environment, sustainable coastal areas and archipelagos

34. The North Sea and the Baltic Sea must have a long-term sustainable production capacity and their biological diversity must be protected. Coastal areas and archipelagos must have a high degree of biological diversity, opportunities for aesthetic experiences natural and cultural values. Industrial activity, recreation and other uses of the sea, coastal areas and archipelagos must be carried out in a way that promotes sustainable development. Especially valuable areas are to be protected against encroachment and other disturbances.

The living resources of the sea are used in a way that preserves the water's long-term production capacity and biological diversity.

35. (The National Board of Fisheries is responsible) This means that:

1. Fishing is conducted responsibly in accordance with the Precautionary Principle (Rio Declaration 1992).

2. Fisheries do not influence the natural areas of distribution for fish, crustaceans and molluscs and no not damage the marine archaeological heritage.

3. Catches of young individuals of the target species, other unwanted incidental catches and the incidental catches of marine mammals and sea birds are minimised.

4. Fish, crustaceans and molluscs are released in a responsible manner and with special regard for waters, valuable for nature conservation.

5. Aquaculture constructions are located with regard for natural and cultural values and so as to minimise the risk of fish escaping.

Government financial transfers

Transfer policies

36. The transfers to the sector are in accordance with the EU regulation. There are hardly any supports to the sector outside this framework. The administration of the support is shared between the National Board of Fisheries (NBF) and the regional county administrations. The NBF has the responsibility for the disbursement of transfers and issues general guidelines to the county administration, which have the responsibility for aquaculture, the processing industry and equipment in harbours. The NBF is also responsible control and surveillance. Below is a table with the target objectives and the sum-disbursed amount.

Table 4. Revenue enhancing direct payments
Disbursed amounts in SEK 1 000 (Swedish crowns)

Target area	1998 National Co-financing	1998 EU-FIFG	1999 National Co-financing	1999 EU-FIFG
Catching sector	8 228	21 371	7 909	27 043
Aquaculture	1 676	7 137	2 151	8 558
Processing industry	3 833	12 646	5 536	21 006
Others	10 263	9 842	18 404	17 933
Total	**24 000**	**50 996**	**34 000**	**74 540**

Table 5. Revenue enhancing direct payments
Disbursed amounts in 1000 euros

Target area	1998 National Co-financing	1998 EU-FIFG	1999 National Co-financing	1999 EU-FIFG
Catching sector	968	2514	109	3182
Aquaculture	197	840	253	1006
Processing industry	451	1488	651	2471
Others	1208	1158	2165	2110
Total	**2824**	**6000**	**4000**	**8769**

37. Revenue enhancing market price support in 000 euros

1997 435
1998 400
1999 294

General service

38. The total turnover of the National Board of Fisheries was SEK 188 million in 1999. The consultative activities, international and national have altogether a turnover of SEK 36 million. The remaining activities amounted to SEK 152 million, which includes management, promotion, research, control and fish enhancement. The costs are financed by the state budget, research funds and the EU. The Coast Guard is responsible for the surveillance and control at sea and in harbours. The total costs in 1999 amounted to SEK 471 million, however it is not possible to estimate the separate costs for fishery surveillance.

Social assistance

39. There are special unemployment funds for fishers. As a general rule an unemployed person must be at the disposal of the labour market. It is possible for a fisher to receive unemployment benefits in the following circumstances.

1. Ice, preventing fishing operations.
2. Other weather and climatic circumstances.
3. Engine or hull damages.
4. Change of engine or winch.
5. Lack of fuel due to import restrictions.
6. Catch limitations imposed by EU or the National Board of Fisheries.

40. In 1998 a total amount of SEK 25.8 million (euros 3 million) was paid to fishers.

Structural adjustment

41. See EU chapter

Post-harvesting policies and practices

Policy changes

Food safety

42. There have been no major changes in the Swedish rules but see also EU chapter.

Information and labelling

43. A private organisation called KRAV has launched a labelling system for food in general targeting organic farming. The National Food Administration has also introduced labelling for food with low fat and sugar content. Both systems are voluntary for the producers. At the moment there are no national labelling systems for fish or fish products. Within the Nordic Council of Ministers there are discussions on how to create a green labelling system for fish.

44. The sector made in 1999 a voluntary agreement on the use of marketing names for the different species.

Processing and handling facilities

45. There have been no major changes in the industrial structure during the past two years. Since the accession of Sweden to the EU, the production and exports of the processing industry has increased due to the extended market and also due to a reallocation of production facilities from the EU-12 area to Sweden. The increase of the production seems however to have slowed down during the last two years. The total turnover of the processing sector is about SEK 2,8 billion (euros 330 million) which is three times the turnover of the catching sector. The number of production units is about 180 and the work force is about 2 100 persons, mainly concentrated to the northern part of the West Coast.

46. Due to the diversified structure of the processing industry and the lack of supply of required species in the Swedish fishing waters, imports cover a large portion of the supply of raw material. On average 55% of the raw material was imported according to a survey made by the National Board of Fisheries.

47. The main outputs are products of herring and cod but also to a certain degree prawn, salmon, mackerel and haddock.

Markets and trade

Markets

Trends in domestic consumption

48. The National Agriculture Board estimates yearly the consumption of food items by the Swedish households. For 1999 the figures are not yet ready. It is to be noted that small changes do not necessarily imply a change of the consumer preferences but can instead be a statistical variation.

Table 6. Consumption in kg per person

	1997	**1998**
Fresh fish	5.9	5.5
Frozen fish	2.1	2.0
Tinned or otherwise prepared	6.0	6.0
Crustaceans	3.1	2.9

49. For many years the tendency inclines to a dwindling consumption of fresh fish which seems to continue in spite of the increased supply of farmed fish. For other product items there are probably no changes.

Promotional efforts

50. A semi-public organisation called Svensk Fisk is responsible for the promotion of fish and fish products. In 1998 a total amount of SEK 9.3 million (euros 1.1 million) was spent on promotional activities. The corresponding figure for 1999 was SEK 4.4 million (euros 0.5 million). Parliament has

decided that the fishers, processing industry and trade together must take over the responsibility of this organisation. At the end of 1999 there were still discussions of how to arrange this take-over.

Trade

Volumes and values

51. Sweden has a negative trade balance in fish and fish products and the deficit grows from year to year. In 1998 the imports amounted to SEK 5.1 billion (euros 600 million) and the exports to SEK 3.1 billion (euros 370 million). The figures for 1999 are not yet ready but for the first eleven months of the year the value has already exceeded the figures for the whole year of 1998. Both the exports and the imports will grow in 1999 with a pace of five to 7% compared to 1998. Both the exports and the imports are dominated by fresh fish and an important import item is also crustaceans in different product forms. A long-term tendency is the reduced imports of fishmeal, which is due to increased domestic production, and a change of demand from the agricultural sector.

Policy changes

52. See EU chapter

Outlook

53. In the EU context new regulations covering the market and the structure has been adopted. For further information see the EU chapter.

54. Due to technical developments and the poor state of most of the stocks, this implies that the manpower needed in the catching sector will gradually decrease. For the Swedish catching sector, the fishery for reduction is very important for the pelagic fleet, as it concerns the volume of the catches but not from an employment point of view. The prices of fishmeal have dropped considerably during the past year, at the same time fuel prices have increased. This will mean a substantial reduction of the profitability of this sub-sector. An alternative market for these vessels is to sell herring and sprat for consumption purposes to the east European market. There are some signs that the Russian market is somewhat improving. The cod fishery, which is very important for the economy and employment, has had to face some bad years due to the limited stock situation in the Baltic Sea. The coastal fishery will probably also have some bad years ahead due to the diminishing eel stock.

55. The growth the processing industry seems to have levelled off as the positive results of the EU accession have been harvested. The continued growth of this sub-sector will be dependent on product development and marketing efforts. The general promotion activities, up to now carried out jointly by the state and the industry, will probably cease during the year 2000.

Fishing capacity

Basic statistics

Capital

Table 7. Fleet data

	1998			1999		
	Number	**kW**	**GT**	**Number**	**kW**	**GT**
Vessels with engines						
0-24.9 GT	1831	105751	7187	1688	99284	6702
25-49.9 GT	101	20530	3459	93	19277	3218
50-99.9 GT	84	25698	6101	78	23011	5582
100-149.9 GT	34	15608	4300	34	15417	4292
150-249.9 GT	34	22586	6833	33	21883	6569
250-499.9 GT	40	34174	13396	42	35986	14227
500-999.9 GT	7	14472	4987	8	15572	5513
Vessels without engines	0	0	0	0	0	0
Total vessels	**2131**	**238819**	**46263**	**1976**	**230430**	**46103**
MAGP target as of December 31, 2001					261856	51159

56. The MAGP target included in the table above is the upper limit of the Swedish capacity measured in kW and GT according to the EU regulations. Excluding the vessels below 12 meters of length the replacement value is estimated to be euros 200 millions in 1999. As there are no ITQ (individual transferable quotas) there are neither any figures reflecting the scarcity of fishing opportunities. However, when new vessels are entering the fleet, the capacity is not allowed to increase. As a consequence vessels being scrapped are often first sold to fishers in need to compensate their increased new tonnage by buying additional capacity. The license authority (NBF) mostly approves this "trade".

Labour

57. The number of fishers constantly decrease in accordance with the following table:

Year	**Number of fishers**
1995	2799
1996	2862
1997	2893
1998	2801
1999	2576
2000	2335

58. The figures are to be considered as full time equivalent (FTE). There are no figures for part-timers.

Table 8. The age structure of fishers is as follows in number:

	Classification of Fishers by age (1999)		
Region	**Under 25**	**25-54**	**Over 54**
Kalmar	5	143	89
Gotland	3	71	31
Blekinge	7	182	98
Skaane	11	204	101
West Goetaland	52	566	326
Total Sweden	**96**	**1619**	**927**

Table 9. The education level of the whole fishery sector is as follows in % (1996):

Region	No studies	Primary	Secondary	Further
Kalmar		68	27	5
Gotland		71	29	
Blekinge		60	33	7
Skaane		45	40	15
Goeteborg and Bohus		48	41	11
Swedish population		32	44	24

59. It can be noted that the age structure is rather normal for the Swedish workforce in general. The educational level is characterised by a lesser degree of formal education compared to the Swedish population as a whole.

60. The catching sector is normally very flexible in changing the target species. However there are naturally limitations to the flexibility. The smaller vessels can not in a profitable way fish for the pelagic species (herring, sprat and mackerel). It is also difficult for the bigger pelagic vessels to fish in a profitable way for cod in the Baltic Sea. The flexibility to move from an active fishery activity to another sector of the economy is not very high. Such a move presupposes that the vessel can be sold without losses and that there is a suitable alternative employment. As the crew size of the fishing vessels has been reduced due to technical progress many fishers have however found employment in the merchant fleet or at the ferries. The uptake of new technology is normally very high and very fast and it seems that when the fleet is profitable the speed accelerates. Sweden has started a pilot project in order to collect economic data from the catching sector. It seems that the capacity development of the fleet can mostly be explained by economic factors.

61. In the EU the adopted plan to cut down the capacity is called MAGP (Multi-Annual Guidance Programme). For further information see the EU chapter.