ITQ Ownership in the Netherlands, developments during two decades

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ITQ system in the Netherlands

- Oldest ITQ system in the EU
- For main quota species: plaice, sole, cod, haddock and pelagics
- Management delegated to POs

- Individual quotas
- Transferability allowed
- TAC enforced
- Co-management groups

- 1976
- 1985 1988
- 1992
Rationale for study

- ITQ system is essential element of the Dutch management system.
- Objective of ITQ system in the Netherlands:
  - Compliance to TAC
  - Flexibility to optimise landings pattern for active fishermen
- Dutch fisheries is facing drastic changes in management
- Is the system resilient to changes?
Number of vessels and enterprises with ITQs (plaice and sole) stayed the same:

- 400 vessels, 300 enterprises
Distribution ITQs

Concentration for plaice and sole:

- Gini index from 0.65 to 0.75
- 20% of vessels with most ITQs
- Increase share from 45% to 70%
- Same trend for vessels and enterprises and for plaice and sole
Relationship with landings: plaice
Relationship with landings: sole
Relationship with landings sole

- **Vessel**

- **Enterprise**
Relation with landings plaice

- **Vessel**

- **Enterprise**
Utilisation of ITQs for own fishing is decreasing

- Sole: exception
Context

- Catches of plaice and sole higher than allocated quota

- Reason: international quota swaps
Supply and demand increase after 2008,
- 2013 supply > demand
- Difference in vessel and enterprise are reserved ITQs
Supply and demand sole

- No trend 2010 values due to data problem
- Difference between vessels and enterprise reservations
● Prices decreased
● Sole price increase in 2014: pulse trawl
Observations

- **Observations:**
  - ITQ ownership is increasingly concentrated
  - Direct match between rights and landings is decreasing:
    - Surplus from vessels/enterprises and reservations
    - Lease market more important
  - Some differences between outcome vessels and enterprises, but enterprises is not the same as owners

- **Background:**
  - Banks do not finance ITQ investments
  - Poor economic position of most enterprises
  - Efficient lease market??
Remaining issues

- Resilience of system to landing obligation
  - ITQs of discards

- Socio-economic objective of the system is missing
Thanks for your attention

Questions?
Used data

- ITQ distribution at the end of the year per vessel and enterprise.
- Logbook information
- Economic data from accounts from LEI panel