



A note on how resource rent and taxation has been handled across the Nordic Countries.

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INTELLECTON



Why fishing fees?

- Efficient taxation
- Cost recovery
- Capture of resource rents
- „Fair“ distribution of rents





Fishing fees in the north Atlantic

- Iceland
- Greenland
- Faroe Islands
- Denmark
- Norway
- Canada





Iceland

- Introduced in 2004
 - Mostly cost recovery
 - Based on estimated profitability
 - Fixed fee per kg
- Increased in 2009 and again in 2012
 - Capture of resource rents
- Changed in 2015 and new law before parliament this fall





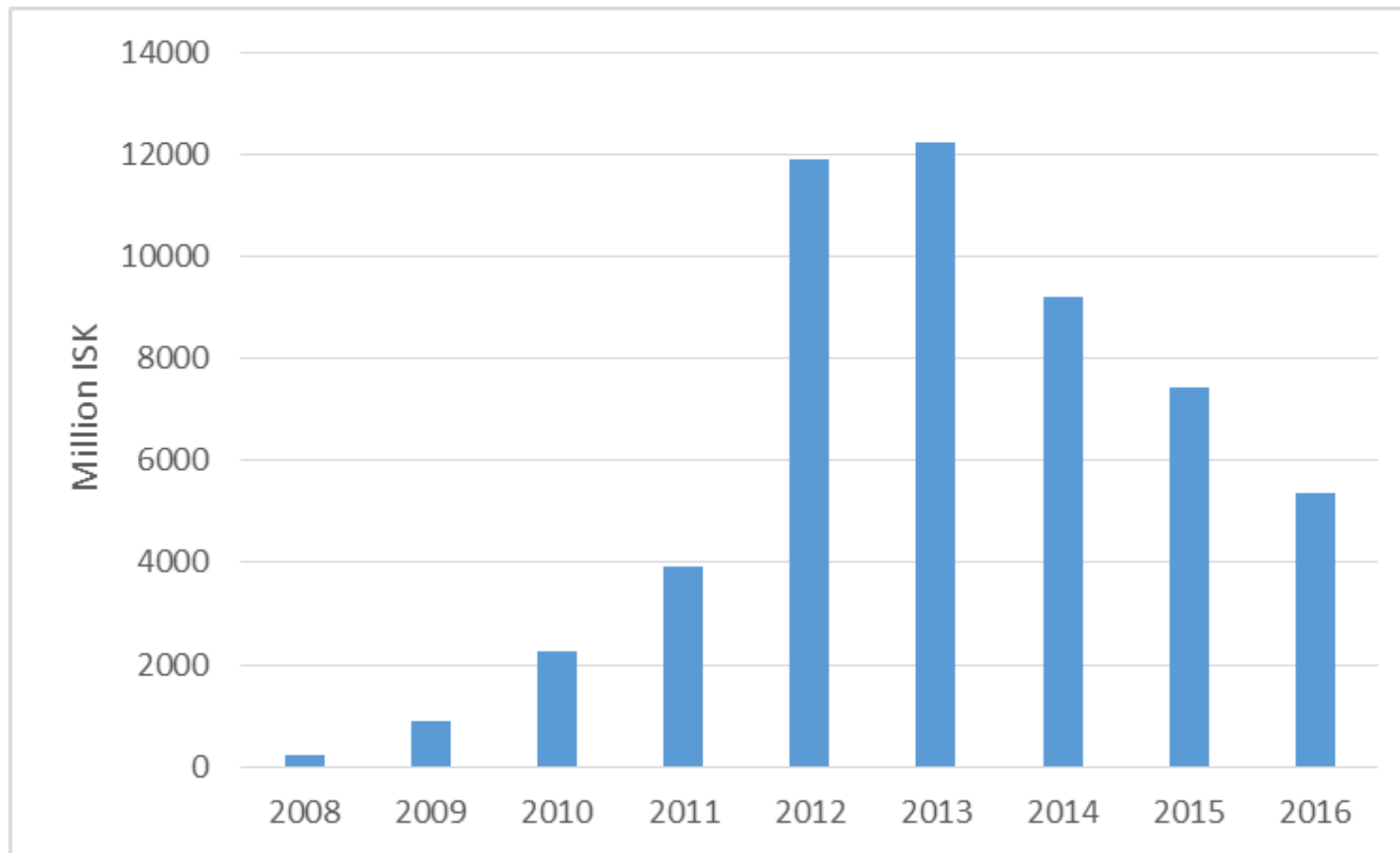
Proposed law

- Based on estimated profits from fishing
- Calculated by species
- Tax data collected for each vessel
- Rebate on initial catch (<100 ton and <300 ton)
- Levied on catch





Total fee in Iceland





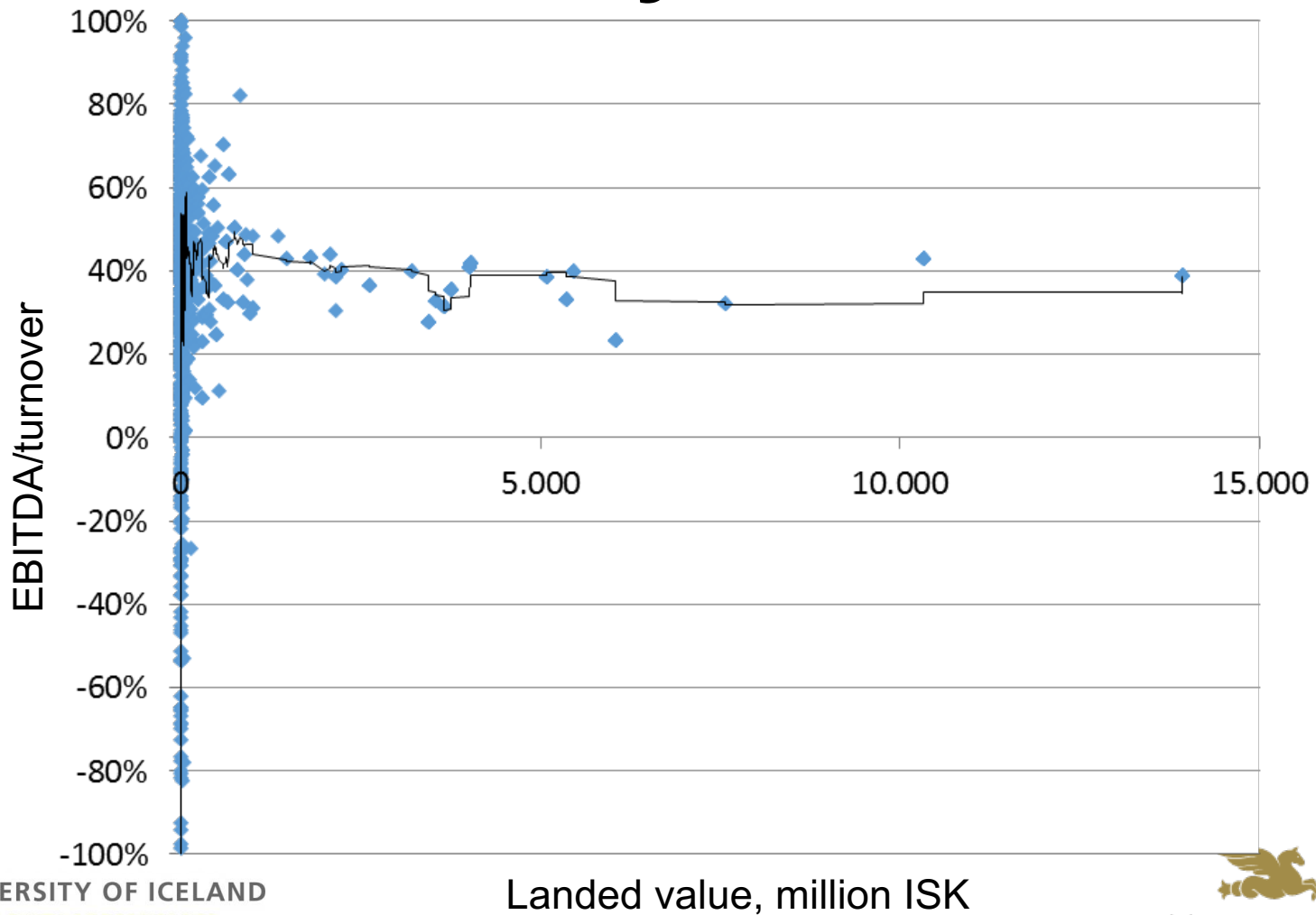
Who pays the fee?

Fee	Number of payers	Share of total	Fee payed	Share of total
18-600 milljónir	30	3%	3,639	79%
10-18 milljónir	18	2%	264	6%
5-10 milljónir	33	3%	251	5%
1-5 milljónir	103	10%	259	6%
0-1 milljón	803	81%	176	4%
Sum	987	100%	4,590	100%





Accuracy of data





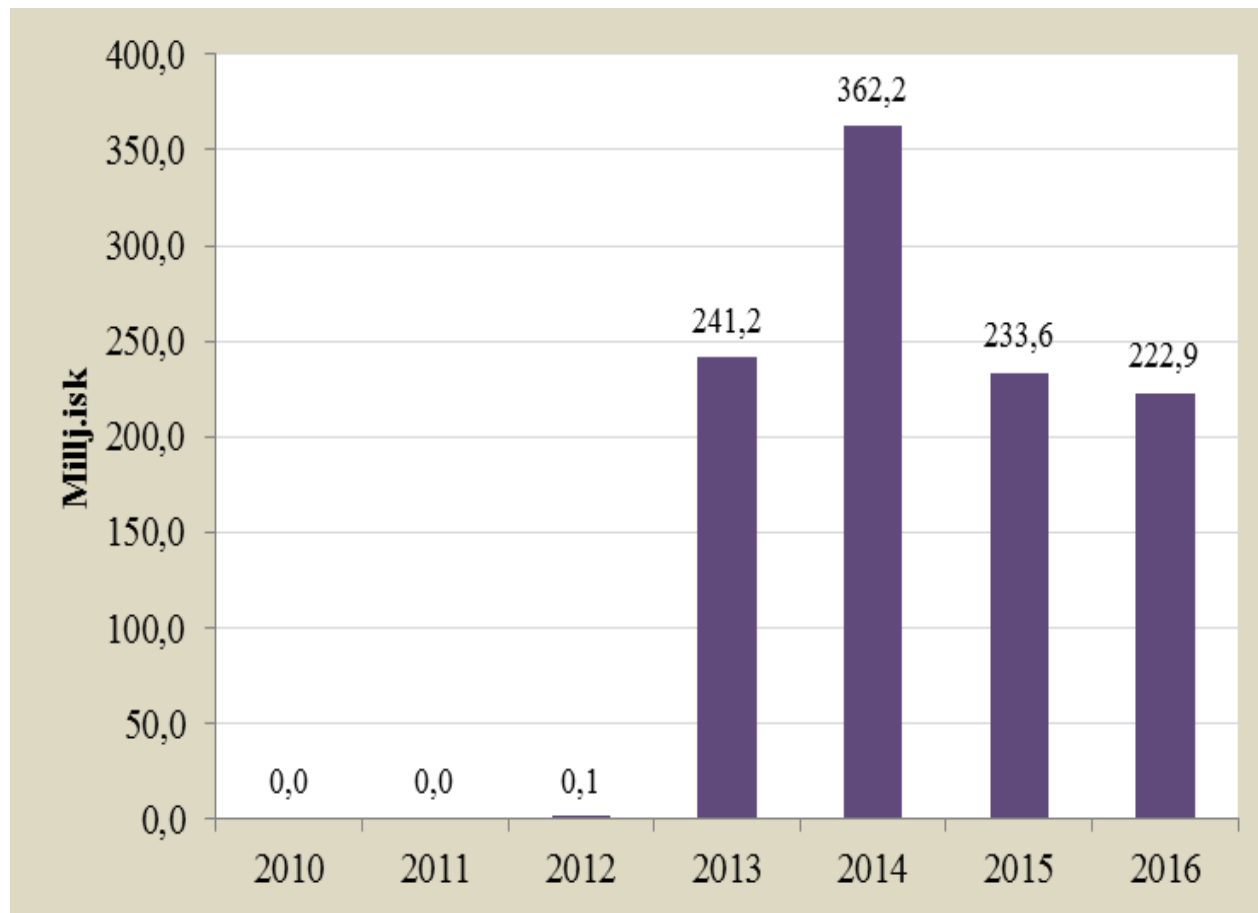
Greenland

- Five different types of fees:
 - Monitoring fee: per kg quota or catch (since 2010).
 - Shrimp: variable share of price (higher with higher prices) since 1986
 - Greenland halibut - ofshore: base fee that changes with price and oil cost.
 - Greenland halibut - inshore: share of landed value.
 - Other ofshore fisheries: fixed fee per kg.



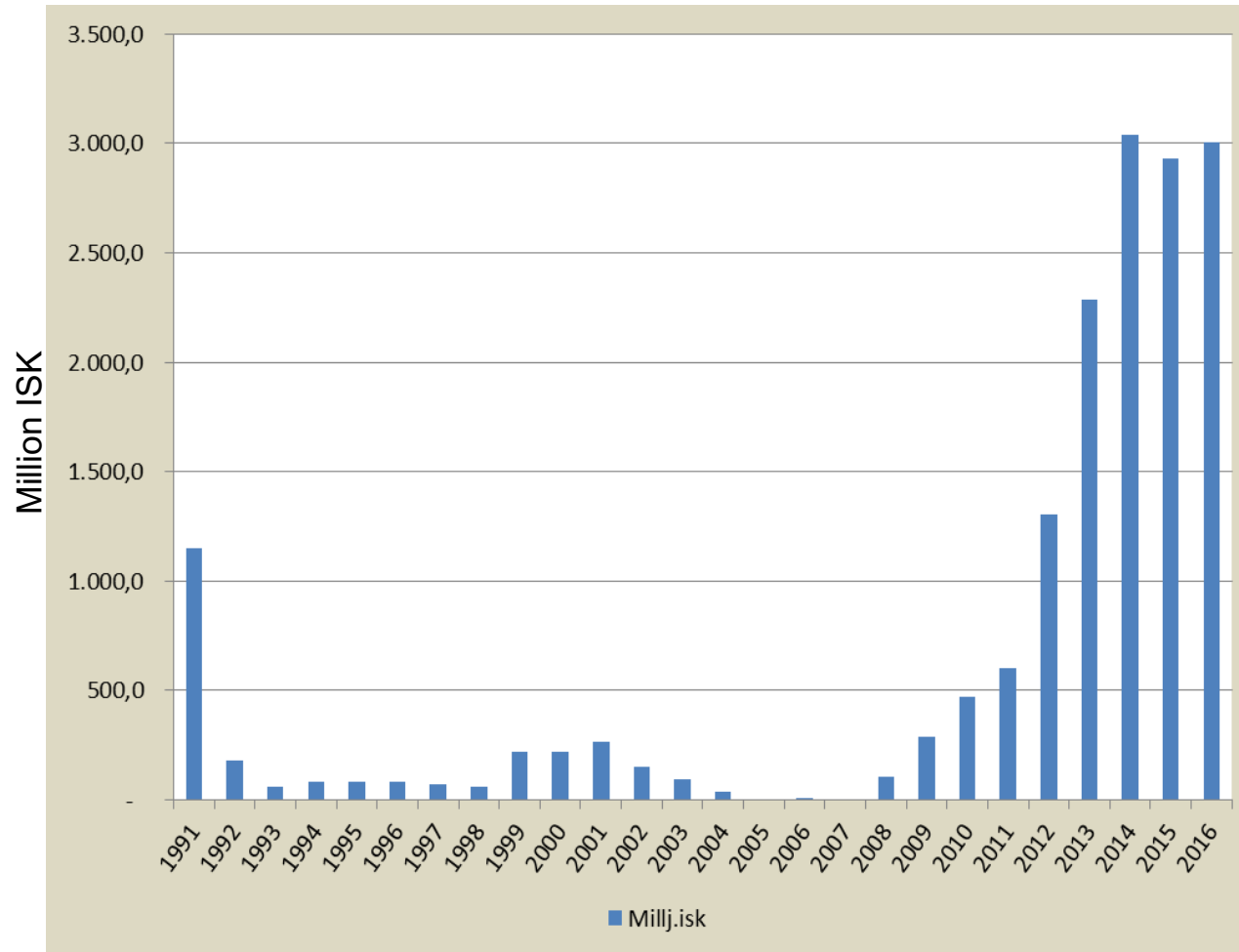


Monitoring fee



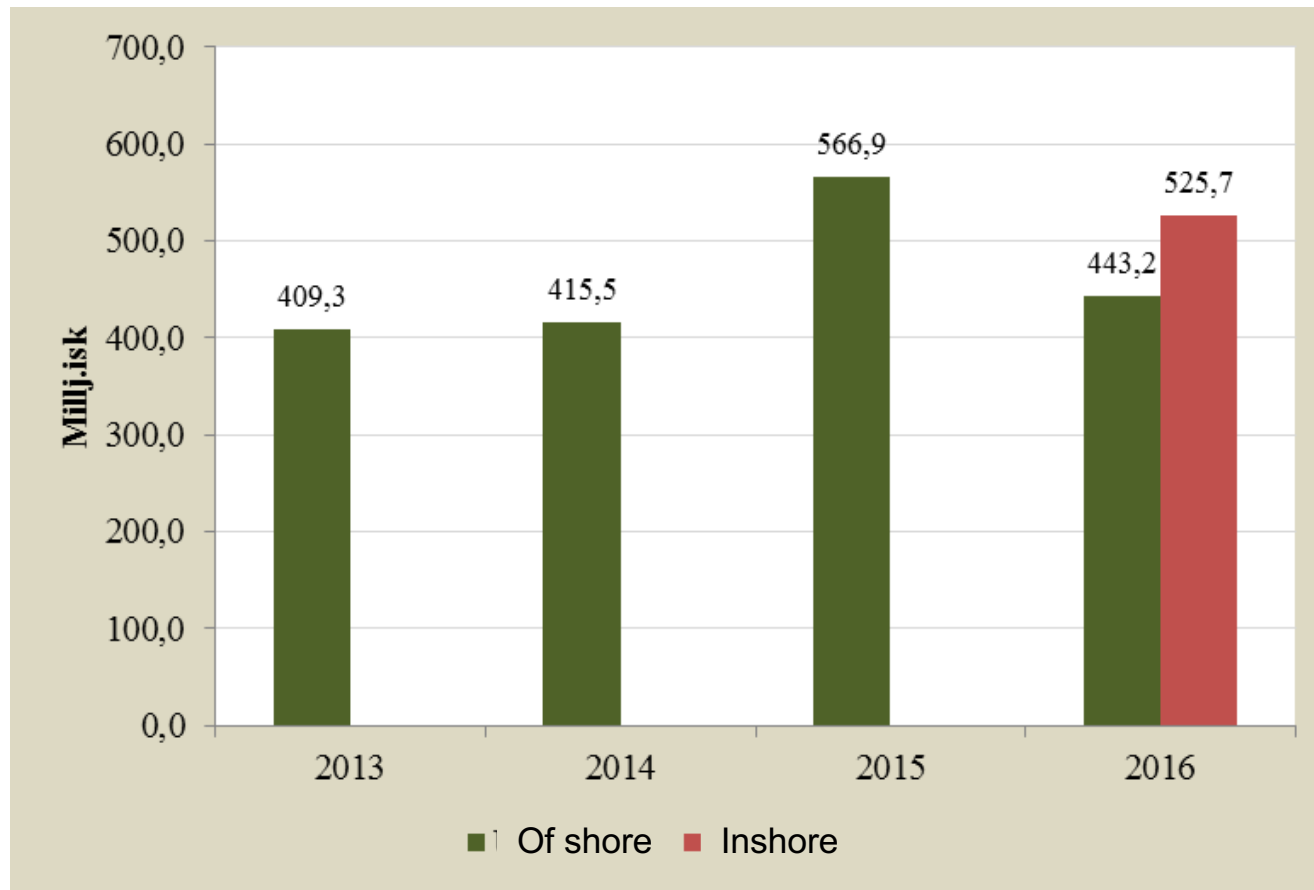


Fee on shrimp



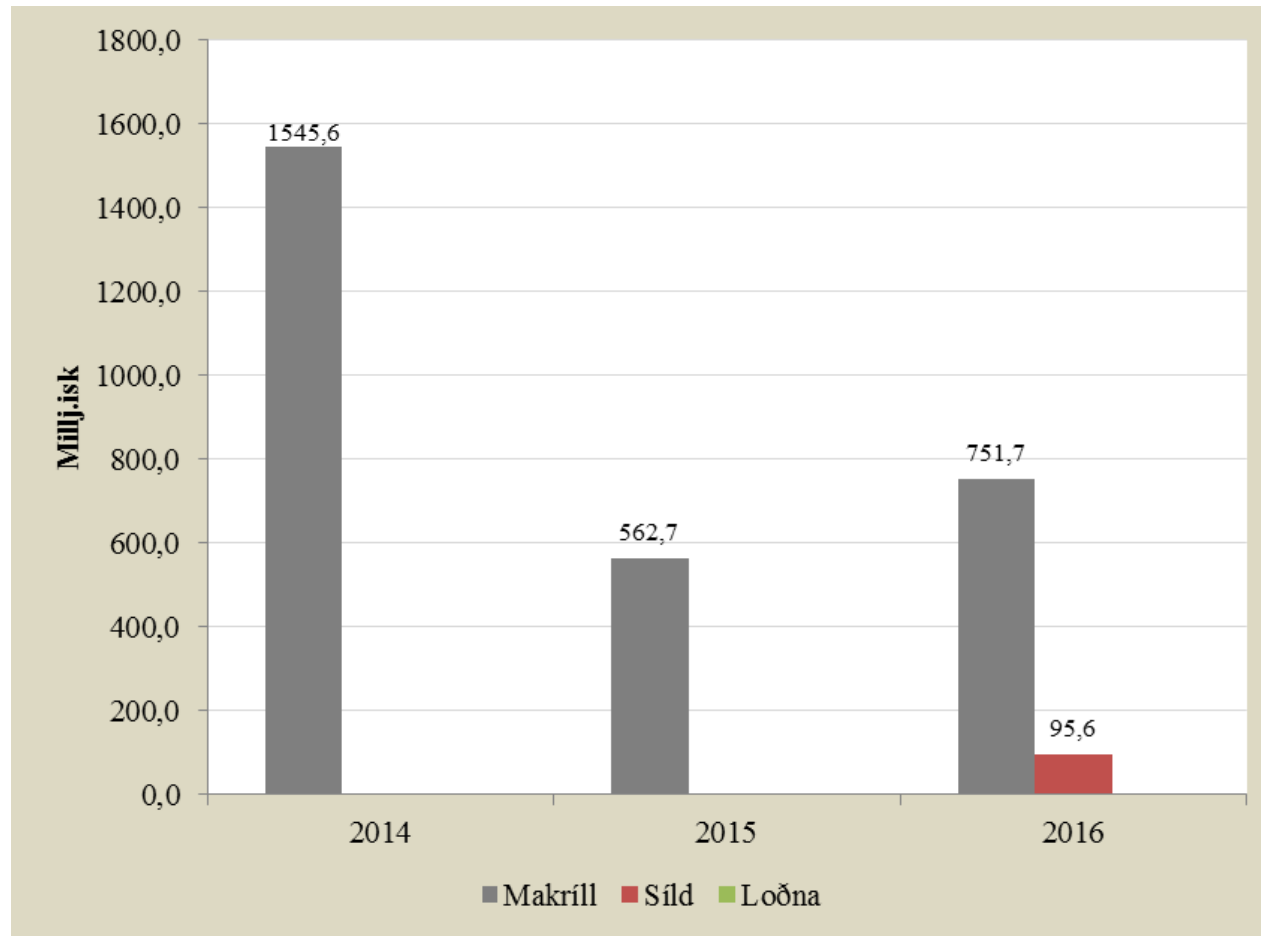


Greenland halibut



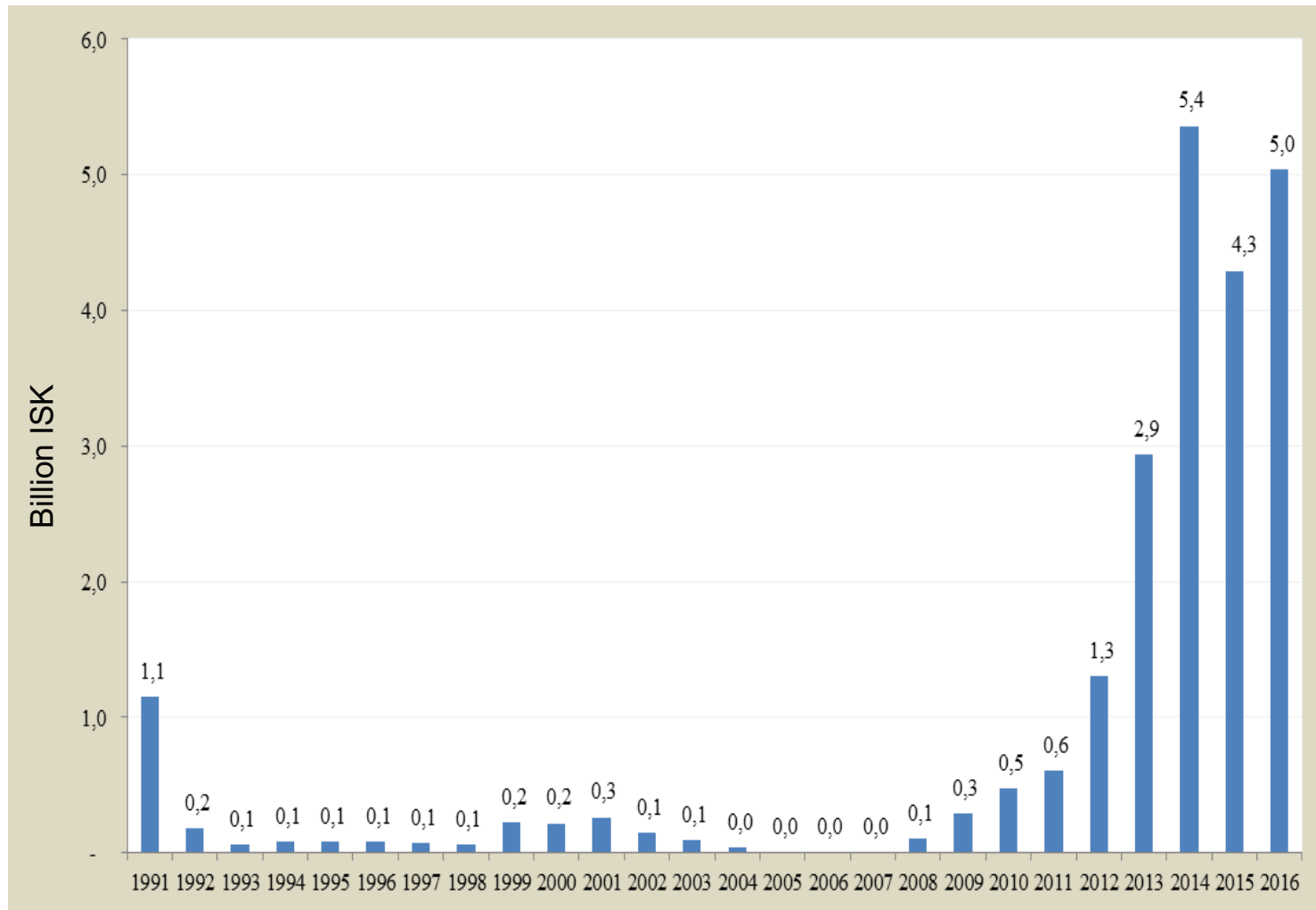


Pelagics





Overall income





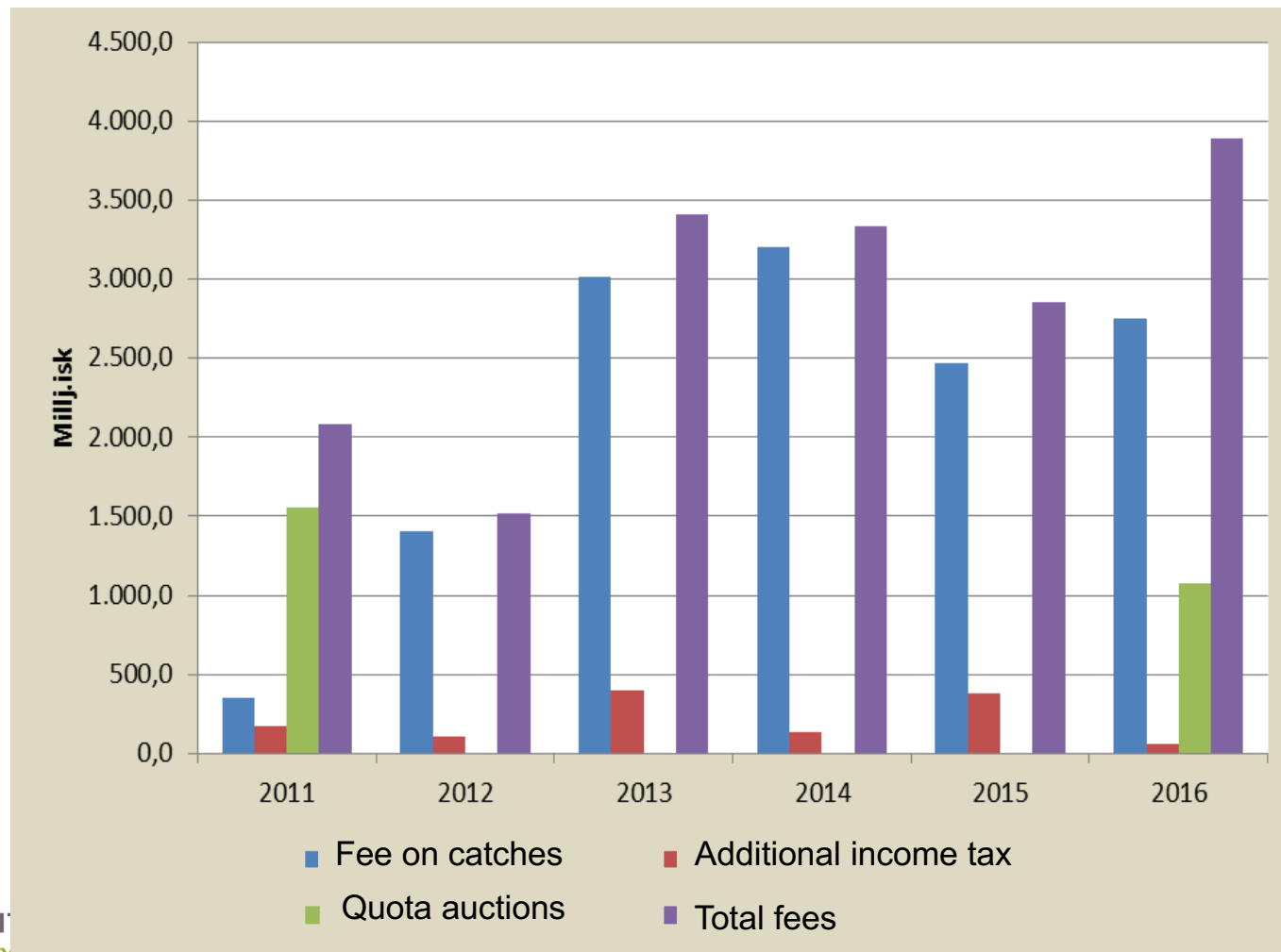
Faroe Islands

- Three systems:
 - Fee on catch quantity.
 - Quota auctions.
 - Special income tax.





Income from fishing fee in the Faroes





Fishing fees in Denmark

- Development fund fee (since 2010)
- Goes into a development fund e.g. for education
- Fee is 2% of landed value above 50.000 DKK





Fishing fee in Norway

- Fee on landed value
 - 1,2% of landed value
 - cost recovery for research and MCS
- Export fee
 - 0,75% of export value to fund marketing of fish products
 - 0,3% of export value in a marine research fund





Proposed changes

- Introduction of a more aggressive fee
- Auctions of certain quota types





Fishing fee in Canada

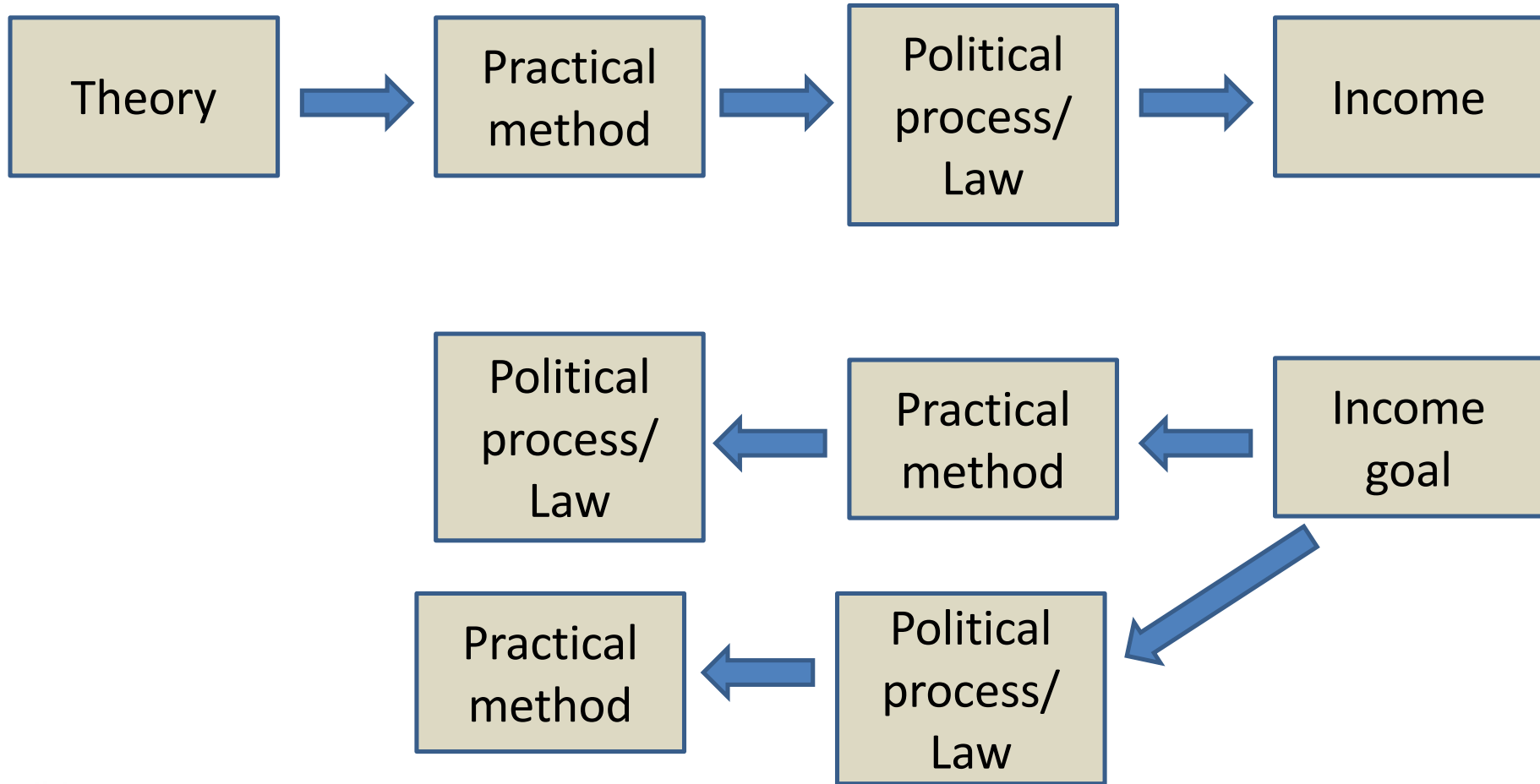
- Fishing fee introduced in 1996
 - Cost recovery fee
 - Fixed fee for small scale landings but 3% - 5% of landed value for larger scale
 - Total fees between 3.500 and 4.000 million ISK per year.





“to retain respect for sausages and laws, one must not watch them in the making.”







Conclusions

- Well managed fisheries can generate resource rents
- Taxing rents should not cause distortions
- Iceland, Greenland and the Faroe Islands have been pioneers in this field – and others are following
- Methods are very different and fees highly variable in species, space and time

