UPDATED DATA TO:

MANAGEMENT AND UTILIZATION OF SEALS IN GREENLAND

Addendum to:
White Paper on Management and Utilization of Seals in Greenland (April 2012)

THE GOVERNMENT OF GREENLAND
MINISTRY OF FISHERIES, HUNTING & AGRICULTURE
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1. Introduction

This document is an addendum to the *White Paper on Management and Utilization of Seals in Greenland* from April 2012 and the two documents should be read together.

The main focus is on updated data of table 1-5 and appropriate figures.

Box 1: Abundant seal populations

Harp seal: Advice on sustainable use on harp seal is given by a working group under the International Council for the Exploration of the Sea (ICES/NAFO: WGHARP). The working group consists of scientist from Norway, Canada, Greenland and Russia. Roughly every fifth year the pup production is estimated by surveys. The total number of seals in the stock is then calculated based on the survey estimate and data on the age-distribution in the stock, age of sexual maturity, the reproduction rate of the adult females and data on the catches.

In many years the working group calculated quotas small enough to allow the stocks to grow. This led to a steady growth in periods when the quotas were taken and strong growth in periods with small commercial catches. The stock that give birth in the Greenland Sea seem to continue its growth, but the west Atlantic population that whelp around Newfoundland now seem to have reached the carrying capacity of its habitat. This means that the fecundity of the seals has been significantly reduced, so that the population no longer produces a surplus every year.

New management principles, which allow a reduction of the seal populations has therefore been introduced. The reduction is limited to a magnitude that secures a large and healthy population, which will produce up to the maximum sustainable yield (MSY) of the population. A population around the carrying capacity produce no surplus (pup production roughly equals natural mortality). A surplus is created and increase as the population is reduced down to a point with the maximum sustainable yield. For harp seals this is a point (believed to be around 70% of the carrying capacity level), when both the population and the reproduction is high.

The new management principles allow a reduction of the populations to 70% of their maximum levels. Quotas can therefore be set based on ecological or socioeconomic considerations as long as the population is kept above 70% of Nmax, which for the West Atlantic population has been set to 7.8 million - the level found in 2008. If the stock gets below 70 %, of the maximal size, a management plan should be initiated with the purpose of increasing the stock above 70 % again. If the stock gets below 50 %, further protection measures should be initiated, and if the stock gets below 30 % all hunting should be stopped. This type of management should only be used for stocks with reliable and plenty data.

ICES/NAFO working group on harp and hooded seals estimated the population in the Northwest Atlantic to be approximately 7.4 million seals in 2014. This is a reduction of 400,000 seals since 2008, but this reduction has mainly been caused by low reproduction and high natural mortality (many pups dying in years with poor ice conditions in the whelping areas). The total allowable catch (TAC) for Canada is set to 400,000 (since 2011). , but catches in Canada has since 2008 been far below the TAC. In 2013, Greenland caught about 79,600 harp seals while Canada caught about 94,000 harp seals, less than 44 % of the TAC.

Ringed seal: In 1996 a working group established by The North Atlantic Marine Mammal Commission's (NAMMCO) Scientific Committee concluded that Greenland's current take of ringed seal was sustainable. Three substantial arguments for this conclusion were that the current hunting pressure has been maintained for a number of years without visible signs of a decline in the population, that Greenland's take is particularly made up of males and very young individuals and that the ringed seal's very wide and even distribution across most of the Arctic limits large-scale overexploitation. Even though ringed seals are widely dispersed and apparently capable of surviving under very severe ice conditions, they are considered vulnerable to sudden changes in ice coverage.

Box 1: continued

The total number of ringed seals is still unknown, but is estimated to 6-7 million. Among them, approx. 1 million are of the subspecies *Pusa hispida ochotensis*, while the other three southern subspecies together only constitute in the region of 10,000 individuals. The estimate of Arctic ringed seals is about 5 million.

Hooded seal: ICES/NAFO working group on harp and hooded seals estimates the current population in the Northwest Atlantic at 600,000 seals in 2005 (last assessment), which is an increase from 478,000 in 1965. In Canada the TAC on hooded seals older than bluebacks has been at 8,200 seals since 2008. It is, however, mainly the blue back skin that is of interest for the sealers and in recent years less than hundred hooded seals have been caught annually in Canada. No hooded seals were reported taken in 2013 and according to the preliminary estimates for 2014 only 7 hooded seal was taken. In 2013, Greenland caught 1,498 hooded seals, which is the lowest catch since 1962. The population is not considered endangered.

The Greenland Sea stock of hooded seal was severely overexploited by Norwegian sealers in the years after the Second World War. It is presently at a level around 80,000, which is believed to be less than 30 % of former levels and all commercial hunting has stopped. Since 2007 only few seals have been taken for scientific purposes and a small insignificant number (since 2006 less than 10/yr.) is taken by hunters from the Greenland settlement Ittoqqortoormiit.

2. Current catch levels

The number of paid full time hunter's licenses has been stable on app. 2,000 over the last five years, while the number of paid leisure time hunter' s licenses has stabilized around 4,300.

The number of both full time and leisure time hunters hunting seals show a gradually decrease of 29 % in the years 2006-2013, figure 1 with the highest reduction of 38 % for leisure time hunters hunting seals and 21 % reduction in full time hunters hunting seals. In Greenland we do not use the distinction "full time seal-hunter" and "part time seal-hunter" because most hunters rely on both fishing and hunting of different animal species. Since 2009 a hunter has to have a license as a full time hunter in order to qualify for selling the skins to the tannery Great Greenland A/S. A large number of the hunters use the possibility to sell skins to the tannery in total a couple of months a year. It is for many hunters a very important secondary income. Approximate 100 hunters make more than 50,000 DKKR (EUR 6,695) yearly on sealskins.

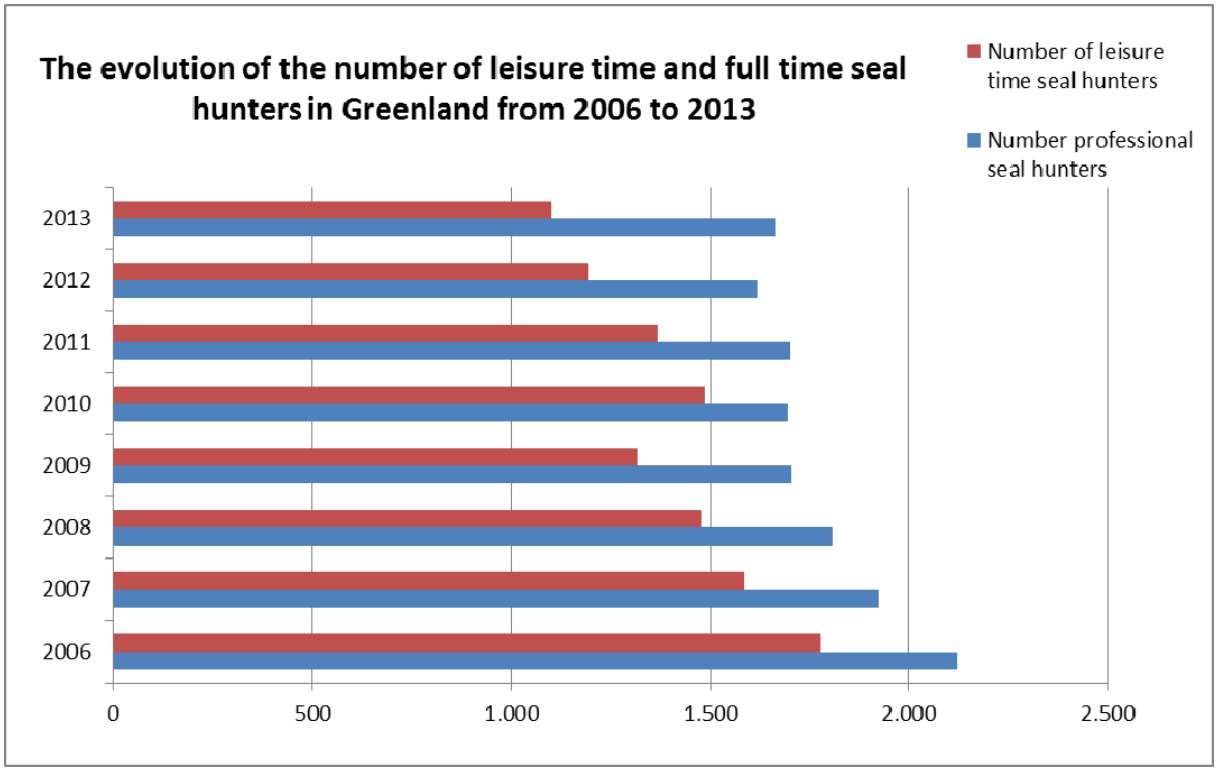

Figure 1. The evolution of the number of hunters catching seals from 2006 to 2013.

Source: APNN Piniarneq database

Hunting seals with nets

From October to the end of March, netting is the prevailing method since it is impossible to use any other technique during the dark winter months. The use of nets for catching ringed seals seems to have been introduced in Greenland by Europeans a few hundred years ago. Especially in the northern parts of Greenland, where most ringed seals are caught (58 % of all catches), netting constitutes an important method to catch ringed seal during winter due to the dark periods and ice conditions. In

North Greenland using nets under the ice constitutes about one third of the total harvest of ringed seals in the area, and two thirds off all net catches takes place in this area, table 1.Using riffles is not an alternative since it is completely impossible to see the seals in the dark. However, hunting with nets becomes less effective relative to the increase in light during the spring. The success of netting under the ice also depends on the duration and stability of the firm ice cover, the amount of snow, and the frequency of strong wind, all of which influence the possibilities for setting and tending the nets.

Table 1. The table shows in percentage the distribution of the hunt of ringed seals by use of nets or riffle within the specific region, between the regions and in total for Greenland per region for the years 1993-2013.

Regions	Distribution of catches with nets / riffle within the region	Distribution of catches with nets / riffle between the regions	Distribution of total catches between the regions
North Greenland	37 % / 63 %	71 % / 53 %	**58 %**
Disko Bay	23 % / 77 %	12 % / 17 %	**16 %**
West Greenland	22 % / 78 %	5 % / 8 %	**7 %**
South Greenland	11 % / 89 %	2 % / 6 %	**5 %**
East Greenland	21 % / 79 %	10 % / 16 %	**14 %**

Source: APNN Piniarneq database

From table 2 below, it is obvious that harp and ringed seals are the most important seals to the hunters in Greenland. These two species account for about 98 % of the total harvest since 2009. Where the catch of ringed seals seems to be quite stable over the years, the amount of harps seals caught is much more fluctuating. Previously, ringed seal was the most important species in relation to food supply and income, without any doubt. However, the demand from the fur industry has now made it more attractive to hunt harp seals since Greenlandic hunters in some years were offered a slightly better price for sealskins from harp seals compared to sealskins from ringed seals, as prizes are fixed while the skins are subsidized by the Government of Greenland. The increasing numbers of harp seals have also played an important role in the choice of hunting method.

Table 2. The Annual catches of seals in Greenland from 1993-2013.

Year	Ringed seal	Harp seal	Hooded seal	Bearded seal	Total
1993	77.154	56.886	6.982	1.808	**142.830**
1994	72.824	57.893	8.142	1.974	**140.833**
1995	79.160	63.263	7.179	2.020	**151.622**
1996	89.939	74.676	9.891	2.132	**176.638**
1997	80.207	69.591	7.492	2.339	**159.629**
1998	78.748	82.217	6.335	2.349	**169.649**
1999	83.345	95.017	7.455	2.334	**188.151**
2000	80.302	99.801	5.844	2.694	**188.641**
2001	78.437	86.763	6.514	2.350	**174.064**
2002	82.504	67.725	4.806	1.965	**157.000**
2003	80.646	67.607	6.353	1.716	**156.322**

2004	77.429	72.245	5.853	1.366	**156.893**
2005	92.063	93.494	4.156	1.454	**191.167**
2006	86.274	95.954	4.842	1.792	**188.862**
2007	71.269	84.275	3.294	1.568	**160.406**
2008	70.536	82.187	2.606	1.437	**156.766**
2009	65.734	73.454	1.987	1.259	**142.434**
2010	61.643	90.996	2.144	1.406	**156.189**
2011	62.279	74.377	2.069	1.302	**140.027**
2012	60.656	60.855	1.707	1.100	**124.318**
2013	63.144	79.597	1.498	1.086	**145.325**
Total	**1.594.293**	**1.628.873**	**107.149**	**37.451**	**3.367.765**

Source: APNN Piniarneq database

The annual harvest of both seal species varies from year to year, especially due to severe fluctuations in ice and weather conditions, but changes in distribution or localized abundance may also have an effect. As opposed to ringed seals, which primarily are caught in Northwest and East Greenland, the majority of harp seals are caught along the entire west coast of Greenland.

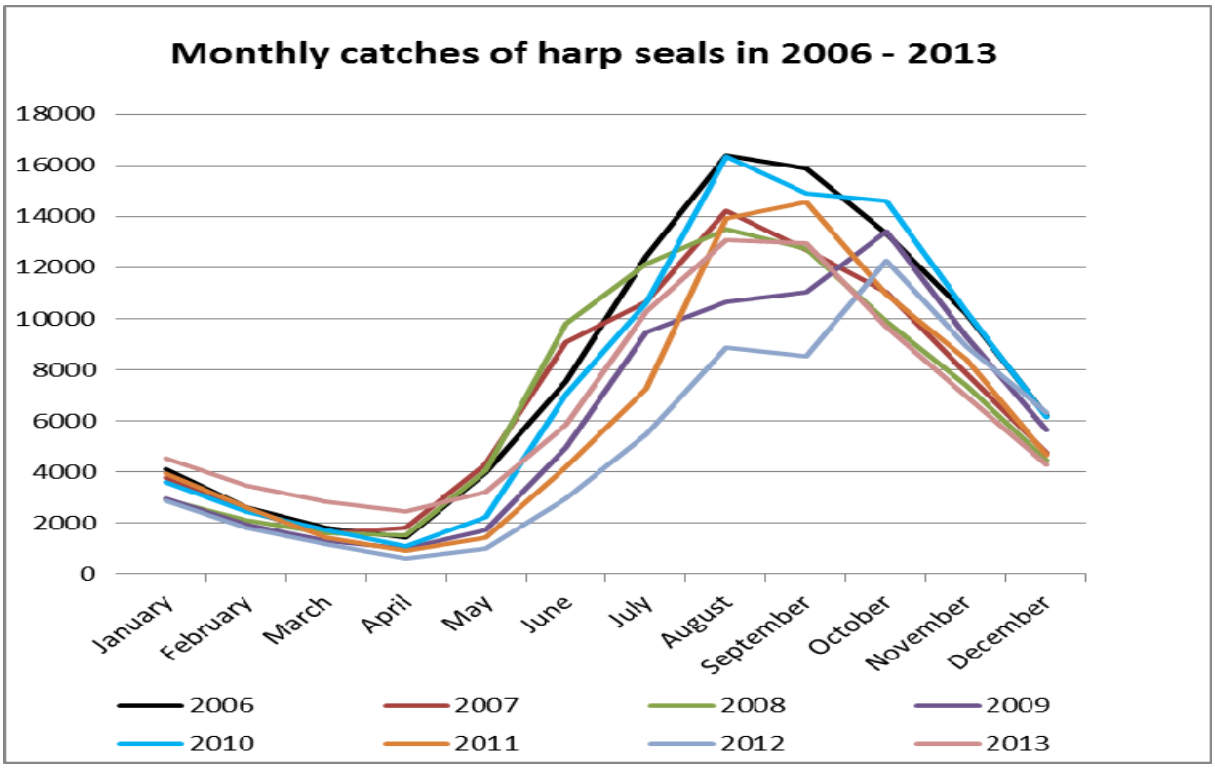

Figure 2. The major harvest of harp seals occurs in the months from July to November – a busy time for the sealers on the west coast of Greenland. Source: APNN Piniarneq database.

The major harvest of harp seals occurs in July to November, where they have dispersed along the entire west coast of Greenland and to the southeast as well, figure 2. During the months of September

to November, harp seals have gained a thick layer of blubber why the struck and lost at this time of the year is much lower than during spring and early summer.

Regarding ringed seals, for all regions in Greenland, great inter-annual variability is also found, but not to same extent as the harp seal. The inter-annual variation in the catch of ringed seals is also related to the actual weather and ice conditions. For instance, the weather and ice conditions in late April-June will determine the chances of hunting seals basking on the ice or seals occurring at the ice edge. Figure 3 shows how the catch of ringed seal varies during the different seasons.

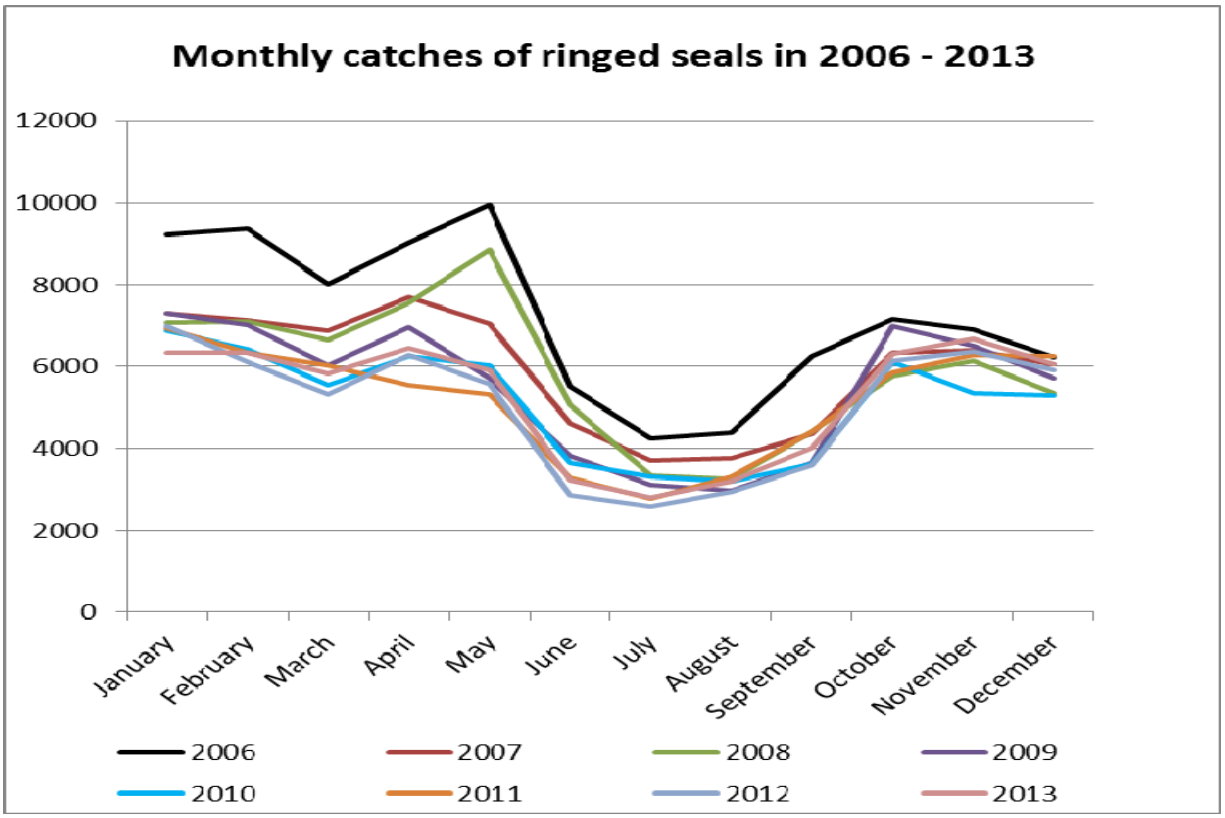

Figure 3. As opposed to the hunt of harp seals, the hunting of ringed seals is spread more equally throughout the year – providing a steady supply of meat. Source: APNN Piniarneq database.

The peak season for the catch of ringed seal varies between regions. For Greenland as a whole, most ringed seals are taken from November to May, which reflects the peak season in the northern regions (where the major part of the catch is taken), while catches are relatively small during the open water season. In the southernmost region, however, the majority of ringed seals are caught between May and August, when ringed seals come to the area with drift ice from the east coast.

In the period from 1993 - 2013, Greenlandic hunters caught in average about 5,100 hooded seals per year of which about 99% originate from the Northwest Atlantic populations in The Gulf of St. Lawrence, The Front of Newfoundland and the Davis Strait. The remaining percentage of hooded seals caught by Greenlandic hunters is considered to originate from the Greenland Sea population.

These seals are caught by hunters in the remote settlement of Ittoqqortoormiit on the Northeast coast of Greenland.

Looking at the catch of all seals in the period from 1993 to 2013, catches by leisure time hunters account for 12-23 % of the annual catch, figure 4. Hunting of seals continues to be an important part of everyday life and culture in Greenland. Even though people could afford to buy seal meat at the local open air market "Kalaaliaraq", for some it is almost considered an obligation to be self-sufficient with seal meat. Taking expenses to gas, ammunition and time spend on the hunt into consideration, it may be cheaper to buy the meat at local market, but some people prefer hunting the seals on their own and prepare it as they like.

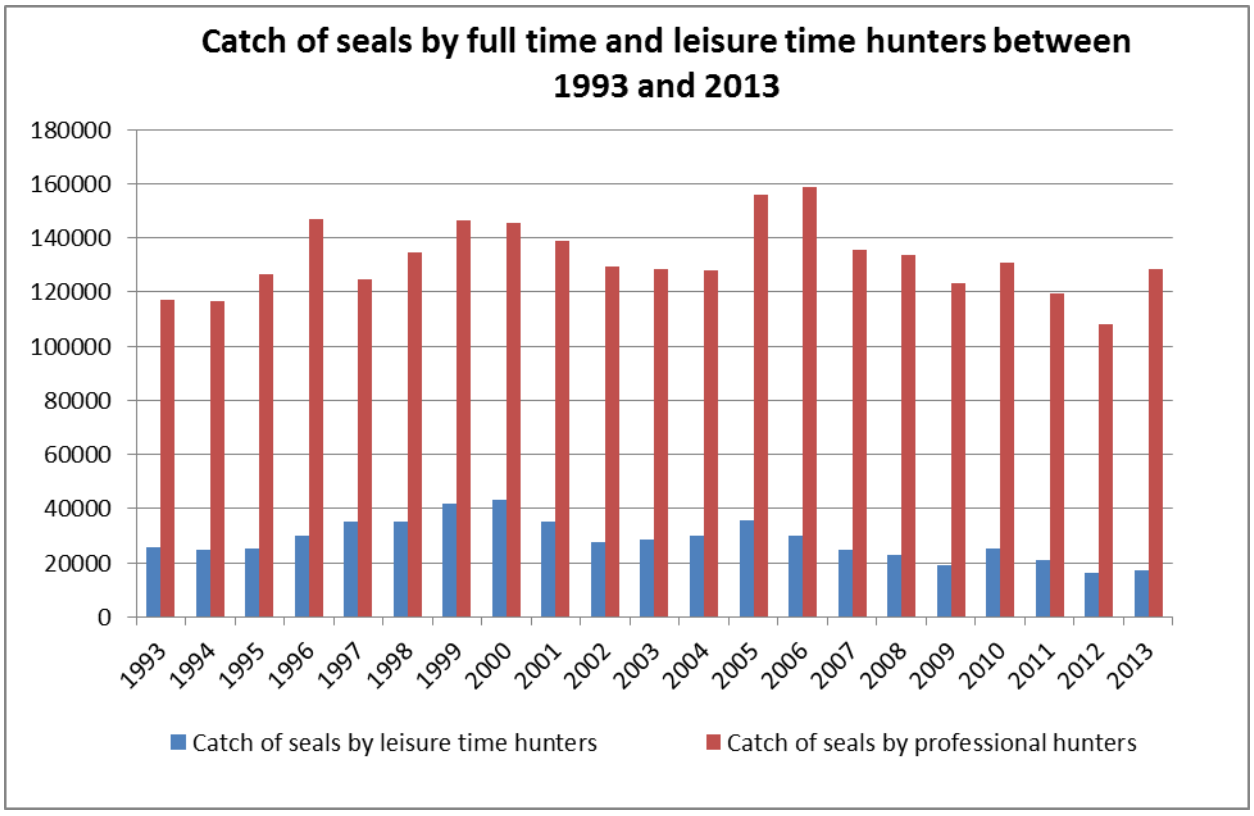

Figure 4. In most years, leisure time hunters account for about 1/5 of the harvest of seals in Greenland, which underpins the cultural and socio-economic importance of hunting seals.

Source: APNN Piniarneq database.

3. The commercial trade of sealskins in Greenland

The skins from just over one third of all caught seals in recent years are sold by the hunters to the tannery of Great Greenland A/S (a share-holder company), located in Qaqortoq in South Greenland, table 3. The Government of Greenland is the owner of the tannery and it is today a modern facility using state of the art technology in the processing of sealskins. For decades, local knowledge on tanning sealskins have been accumulated at the tannery and it is currently one of the world's leading

in producing high quality furs and leather from sealskins. Hides from caribou, sheep and arctic winter fox are also processed at the tannery, but only to a minor extent.

In 2014, 39 people were employed at the tannery - making it one of the largest companies in South Greenland. Due to the economically restrains the company has reduced its employees from 50 in 2008. In addition, the tannery operates 47 trading stations all over the country, making it possible for hunters in small communities to sell their sealskins. Having 47 trading stations spread all over the country is only possible through the government subsidies paid to the Inuit hunters, which is administrated by the tannery. In the 1990-ies the company operated about 70 trading stations. Since the anti-sealskins campaigns in 1980's, it has been necessary to subsidy the hunters in Greenland since world market prices collapsed as a result of the campaigns.

During the end of the 1990s world market prices became more favourable and the tannery was able to offer better prices to the hunters. As a result of the positive development, the Government of Greenland intended to reduce the subsidies. Yet, the result of the written declaration 0038/2006 together with regulations no 1007/2009 and no 737/2010 on banning of import and export of sealskins in the EU quickly showed it-self. Since 2008, the Government of Greenland six times had to give an annual capital grant of 5-12 mill. DKKR (0.67-1.6 mill. EUR) to Great Greenland A/S due to the crisis in the sealskin industry.

In 2013, with a service contract on 25,7 mill. DKKR between the Government of Greenland and Great Greenland A/S 16,6 mill. DKKR were paid directly to the commercial hunters in subsidies – corresponding to about 10,000 DKKR / 1,340 EUR to each and every full time seal hunter in Greenland. This may sound like an insignificant amount, but it makes it possible for the hunters with this money to invest in new equipment, tools, ammunition, maintenance and so on. The subsidy in 2014 is 26,7 mill. DKKR with 16,7 mill. DKKR to the hunters. The ratio of the service contract amount to the tannery has increased since 2009 due to the more and more severe economic situation of the tannery. Since 2009 Great Greenland A/S has not been able to pay for the skins them self, so any trading is solely based on the subsidy from the Government via the service contract.

Table 3. A summary of the development of seal caught and sealskins traded to the tannery from 2006-2013.

	2006	2007	2008	2009	2010	2011	2012	2013
Number of seals caught	188,862	160,406	156,766	142,434	156,189	140,027	124,318	145,325
Number of sealskins traded	109,201	85,468	81,580	77,143	69,169	51,826	34,619	50,847
Percentage of sealskins sold to the tannery	58%	53%	52%	54%	44%	37%	28%	35%

Source: Great Greenland A/S and APNN Piniarneq database

From table 3 it is clear that on average 82,000 skins or 54 % of the annual total harvest is not sold to the tannery, but used for private purposes or disposed of. This indicates that the seal hunt in Greenland is both subsistence oriented and a commercial activity. Seals are hunted primarily for their meat and skin, but the production of handicrafts, clothes and traditional artefacts are important by-products of the hunt. The commercial skin trade in Greenland reached almost 116,000 sealskins in 2005, but has decreased to its lowest point in 2012 to 34,600 skins and an estimated 52,000 skins in 2015.

Over the last few years, Greenland has been able to improve the quality of skins through education of hunters, traders and a modernization of the tannery, while at the same time working on a reduction in the government subsidies from app. 32 mill. DKKR in 2005 to app. 26 mill. ten years later. If not subsidised by the Greenland Government, the hunter families in Greenland will once again be the first victims by the trade ban. The EU ban even with the Inuit exemption is ruining an important economy for Greenland – one based on the sustainable use of an abundant renewable resource, table 4.

Table 4. The data illustrates how the trade of sealskins in EU experienced a huge reduction, highlighting the effect the ban is having on the sale to the international market.

Year	EU	Outside EU	Number of sealskins sold on the international market#	Export value of sealskins and products in mill. DKKR#
2004	71 %	29 %	84,700	42.6
2005	69 %	31 %	59,800	52.6
2006	66 %	34 %	82,554	57.7
2007	43 %	57 %	43,603	18.3
2008	16 %	84 %	33,839	7.4
2009	22 %	78 %	6,453	2,0
2010	26 %	74 %	16,257	3.4
2011	30 %	70 %	16,566	3.7
2012	38 %	62 %	42,858	7.6
2013	Na	Na	41,000§	10.0§

Source: Great Greenland A/S. #: Data from the annual reports. Na: Not available due to shift in ownership and collaboration with company responsible for the sale. § Uncertainty in data due to stop of collaboration with company responsible for the sale.

4. Regulations on seals in the EU

Regulation (EC) No 1007/2009 of the European Parliament and of the Council of 16 September 2009 on trade in seal products

Through the regulation no 1007/2009 of the European Parliament and of the Council of 16 September 2009, a ban on import of seal skins to the European Union or bans on the processing and manufacturing of seal products in member countries was imposed, and entered into force on 20 November 2009. The regulation followed a proposal presented by the European Commission on 23

July 2008. Although this ban contains a specific exemption for seal products from Inuit hunting, it has a severe impact on the global sealskin market.

Commission Regulation (EU) No 737/2010 of 10 August 2010 laying down detailed rules for the implementation of regulation No 1007/2009

On 10 August 2010, the Commission adopted an implementing of regulation no 1007/2009 and as the ban itself, it entered into force on 20 August 2010. The implementing regulation sets out the conditions for the placing on the EU market of seals products.

Because of the Inuit exemption sealskins from Greenland can still be exported to the EU and placed on the market if the skins are certified according to regulation no 737/2010. The tannery Great Greenland A/S sends to the Ministry of Fisheries, Hunting and Agriculture a filled out certificate accompanied by a list of batch numbers for all the concerned seal products. The Ministry controls and signs it before it is returned to the tannery again. The Ministry keeps a record in hard copy and digitally of all signed certificates, table 5.

Table 5. Number of signed certificates from Greenland in accordance with regulation No 737/2010 from August 2010 to 2014.

Year	Number of certificates	Number of sealskins exported from Greenland
2010	2	4.712
2011	22	27.125
2012	35	44,611
2013	53	59,943
2014	14	50,054

Source: APNN.

The latest development of the EU ban after the WTO ruling

Both acts of "the EU seal regime" were challenged by Canada and Norway in the World Trade Organisation (WTO) in the dispute on EC – Measures Prohibiting the Importation and Marketing of Seal Products (DS400 and DS401). On 18 June 2014, the WTO Dispute Settlement Body (DSB) adopted the Panel and Appellate Body reports.

While the WTO reports concluded that the ban on seal products can, in principle, be justified for moral concerns regarding the welfare of seals, the WTO took issue with the two exceptions, the Inuit Communities (IC) exception and the Marine Resource Management (MRM) exception.

The MRM exception was found not to be justified as the possible difference in the commercial dimension of commercial hunts and MRM hunts (small scale, non-profit) was not sufficient to justify the distinction.

With regard to the IC exception, while in principle reflecting a legitimate distinction, the Appellate Body ruled, that some elements of its design and application amounted to "arbitrary and unjustifiable discrimination".

On 10 July 2014 the European Union (EU) notified the DSB that it intends to implement the recommendations and rulings of the DSB in this dispute in a manner that respects its WTO obligations. In the proposal it does not indicate its willingness to respects the Rights of Indigenous Peoples adopted by the United Nations (UN).

On 5 September 2014, the EU, Canada and Norway agreed that the reasonable period for implementing the DSB recommendations and rulings would be 16 months. Accordingly, the reasonable period of time will expire on 18 October 2015.

The purpose of the EU legislative proposal is to implement the DSB recommendations and rulings with regard to the Basic Regulation. It also creates the legal basis for bringing Regulation (EU) No 737/2010 in compliance with the mentioned rulings. The concerns regarding the MRM exception are remedied by the proposal to remove the MRM exception from the Basic Regulation.

The concerns relating to the design and application of the IC exception are addressed by modifying the exception, in particular by linking its use to the respect of animal welfare and providing for a limit to the placing of the market of seal products if the scale of the hunt or other circumstances are such as to indicate that the hunt is being conducted primarily for commercial purposes.

In addition, experts from the EU Commission are working together with experts from Canada in order to set up the necessary attestation system to enable Canadian Inuit to make use of the Inuit exception under the EU seal regime, as recommended.

The EU Commission has decided not to make any impact assessment of the EU regulation No 737/2010 of 10 August 2010 laying down detailed rules for the implementation of regulation No 1007/2009 since the implementation 5 years ago. Greenland is of the opinion that an assessment has been on place due to the severe negative consequences shown in the above mentioned figures.

Greenland found the outlined EU Commission deadline as of lack of understanding for the serious situation and for the impacts from the limited time to prepare and make impact assessment in Greenland and the real impacts the proposal will give for all Inuit Communities, if adopted.