

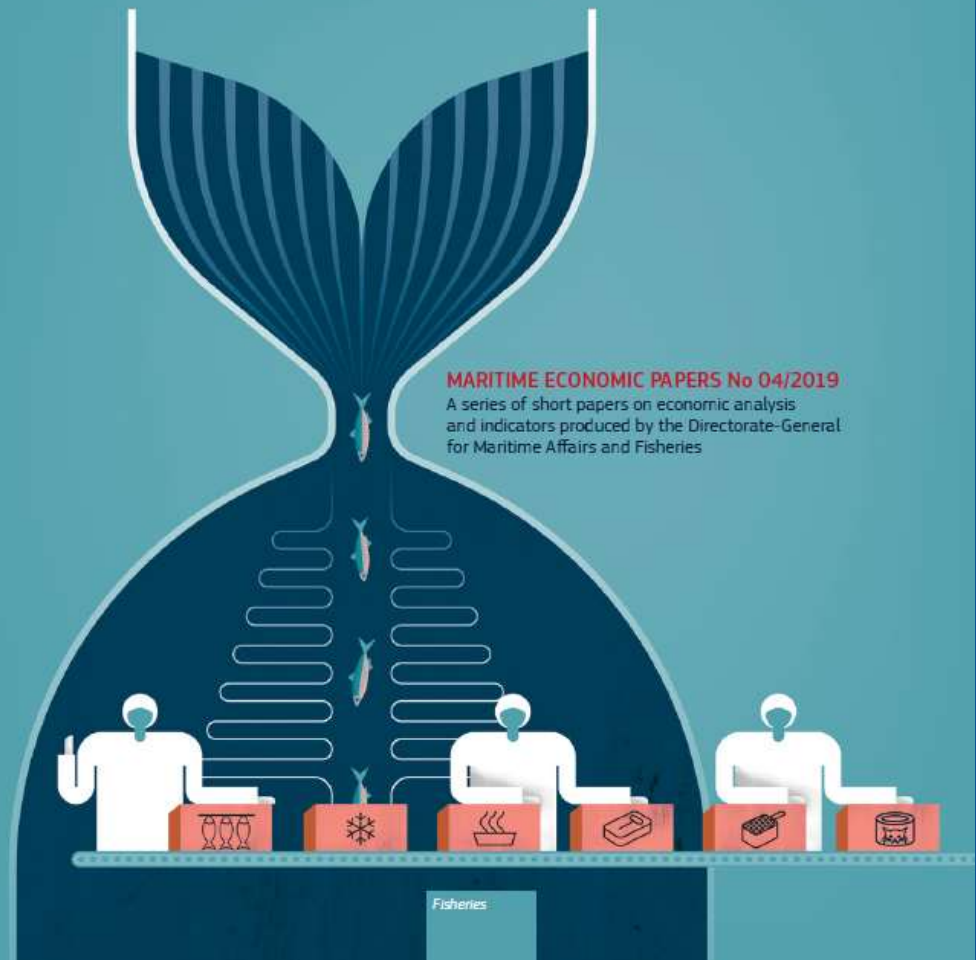
The importance of fish processing industry on EU economy

Javier Villar Burke
MARE A4

The EU fish processing industry: An economic analysis

MARITIME ECONOMIC PAPERS No 04/2019

A series of short papers on economic analysis and indicators produced by the Directorate-General for Maritime Affairs and Fisheries



New Commission, renewed priorities

Overarching umbrella initiatives:

- ***A European Green Deal: make the EU climate-neutral by 2050***
 - Greenhouse gas emissions
 - Circular economy
- ***Farm to fork: ensuring for EU citizens:***
 - Food **security**
 - Food **quality**
 - Food **safety**

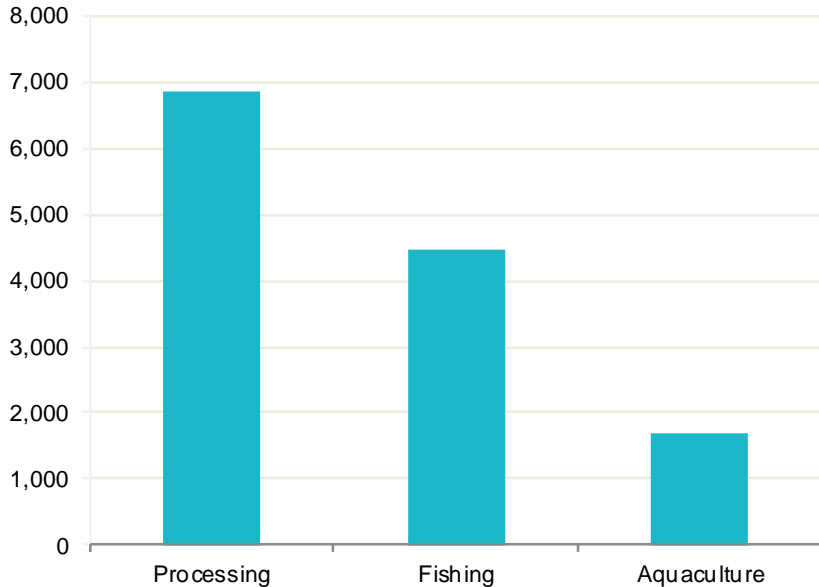
A comprehensive package of support

- A Temporary **State aid** Framework
- The **Coronavirus Response Investment Initiative** (EU structural funds)
- **SURE scheme** (Support to mitigate Unemployment Risks in an Emergency) - €100 billion
- Specific measures in the **European Maritime and Fisheries Fund** (EMFF)
- **Recovery and Resilience Facility** – Next Generation EU - €750 billion **proposal**

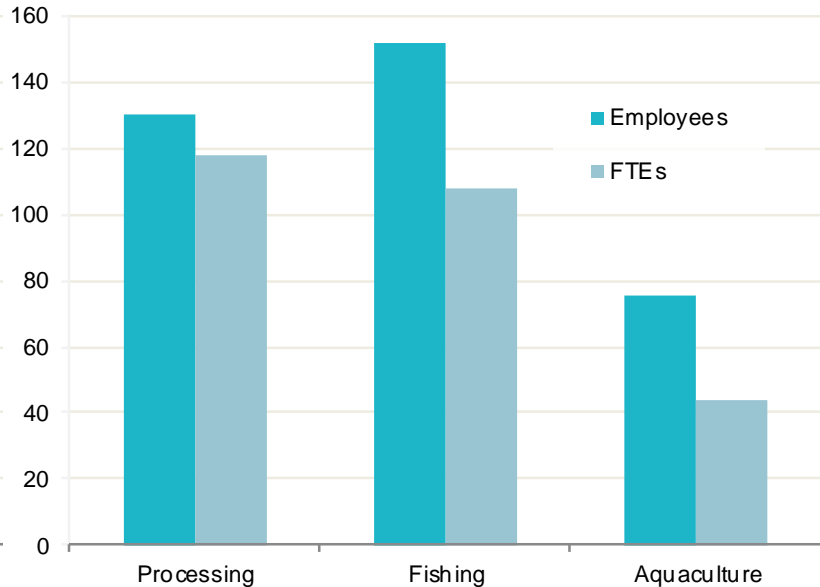


Fix processing in context

GVA, EU, 2017, € million



Employment, EU, 2017, thousand

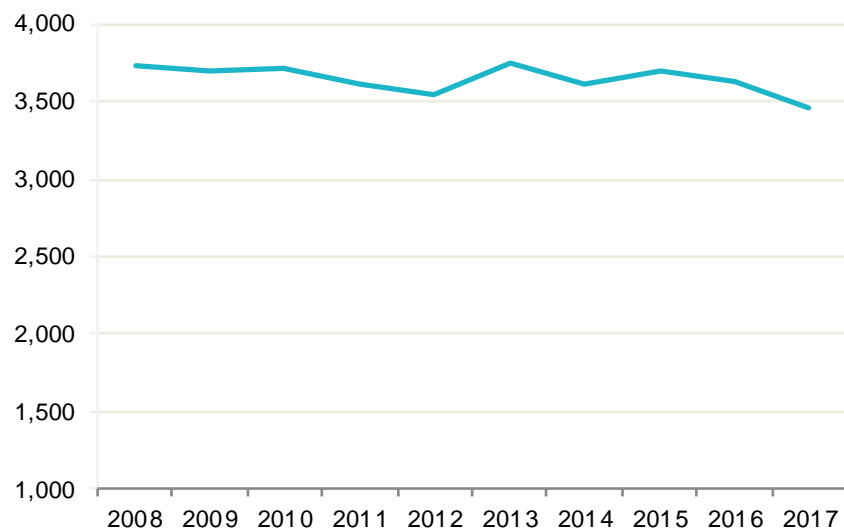


Notes: GVA for fishing does not include Greece. GVA for aquaculture for the 16 reporting countries.
Source: DCF

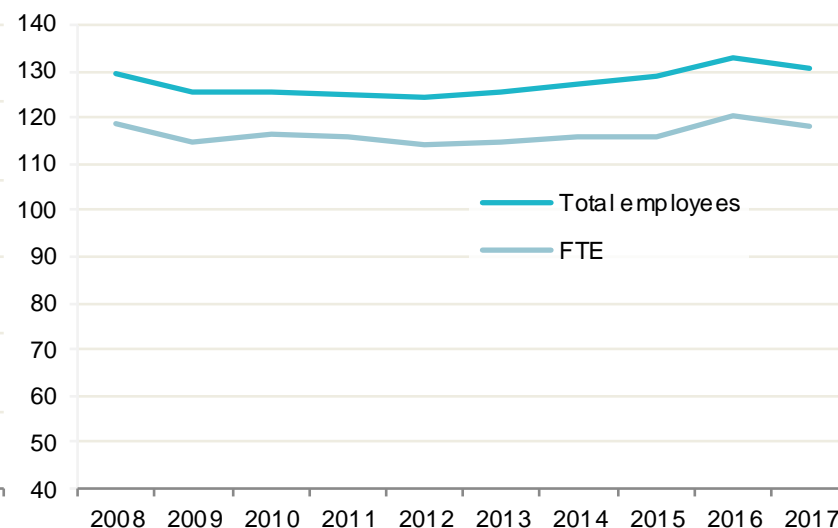
- 2017 - **GVA:** almost **€7,000 million**. Employment: **131,000 employees**; 118,000 FTEs
- **Highest GVA and employment within living resources.**

Firms down / employment up

Number of firms, Total EU



Employment, Total EU



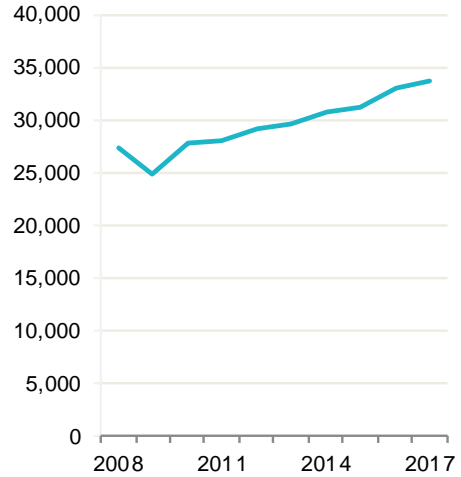
Source: DCF (provisional data pending final check and endorsement by STECF)

- **3.460 firms** processing fish as main economic activity and **1100+** as secondary activity.
- **Decline since 2013** => Transfer to fish processing as secondary activity.
- Employment: **131,000 employees** and **118,000 FTE**.
 - Expansion since 2012. Stabilisation in 2017.
- Average annual **wages** have been **stable** since 2012 at about **€30,000**.

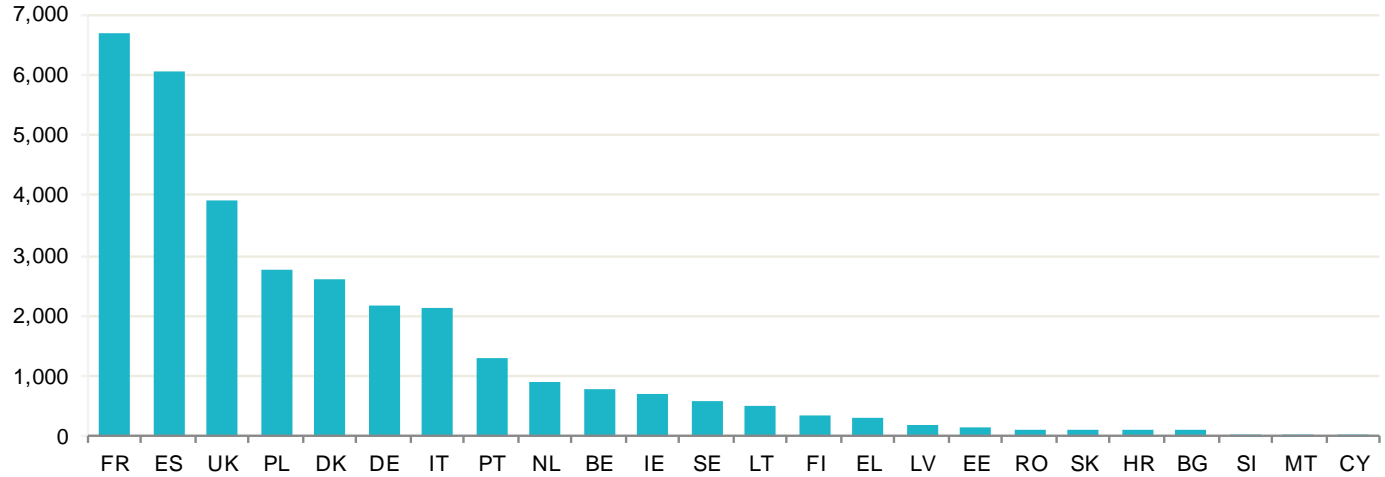


Income continues to expand

Total income, EU total, € billion



Total income by MS, 2017, € billion



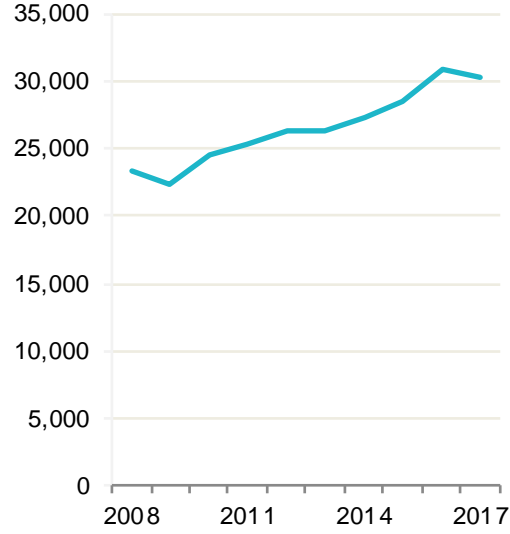
Source: DCF (provisional data pending final check and endorsement by STECF)

- **Continuous increase** in income since 2009 to reach **€33.9 bn in 2017**.
- **95%** of income comes from **turnover**.
- The industry in **France and Spain** generates **more than €5 bn** income a year. **The UK** follows with almost **€4 bn**.

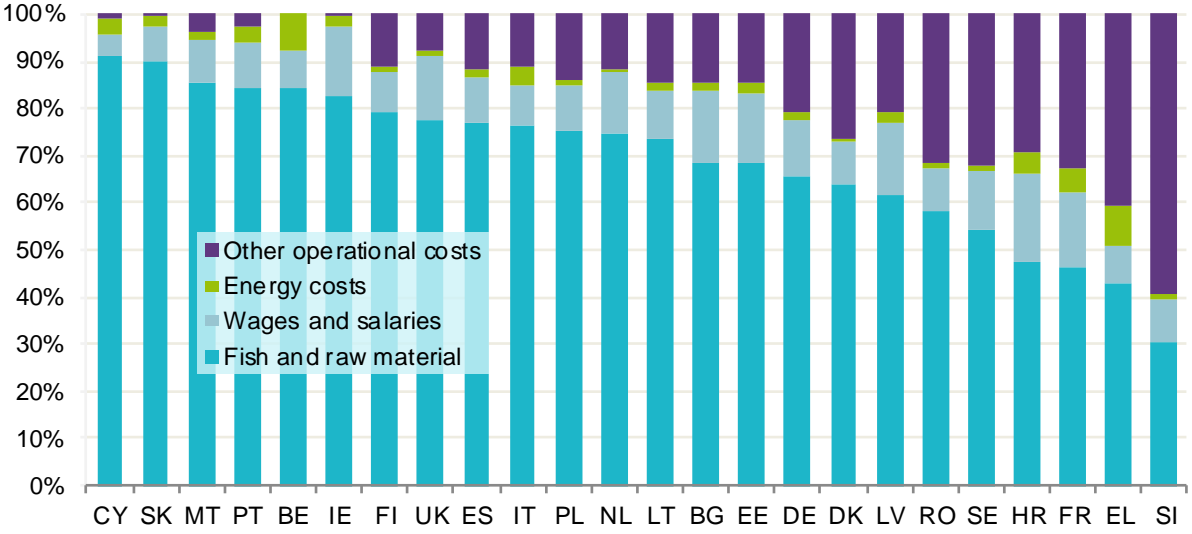


Costs: stable, mainly raw material

Costs, EU total, € billion



Cost distribution by MS, 2017, percentage

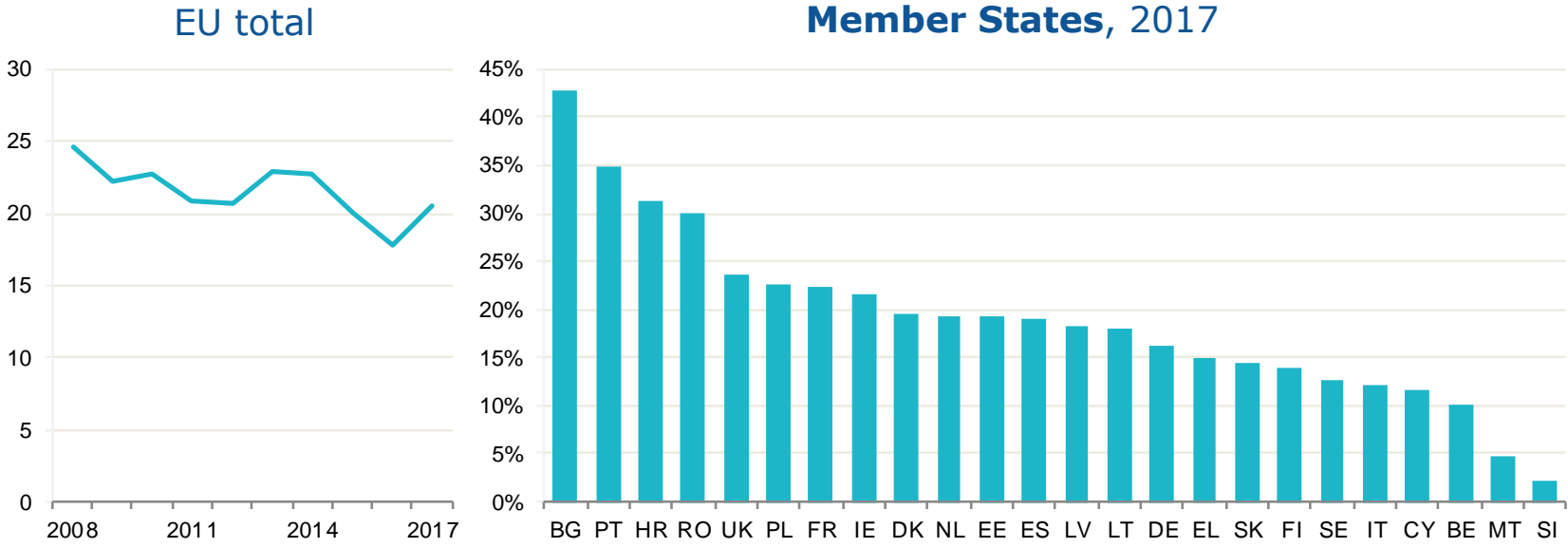


Source: DCF (provisional data pending final check and endorsement by STECF)

- Production **costs** amounted to **€30.4 bn** in 2017, with a 2% decline with respect to 2016.
- **Purchase of fish and raw material** accounts for **68%** of production costs, labour costs (12%) and other operational costs (18%) are much lower.



Healthy GVA margins

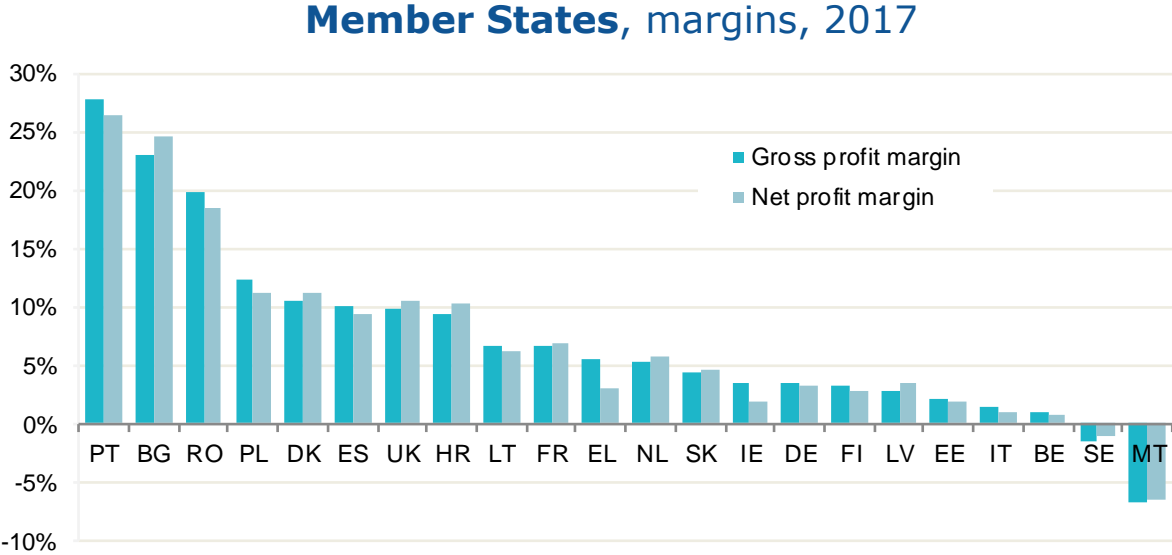
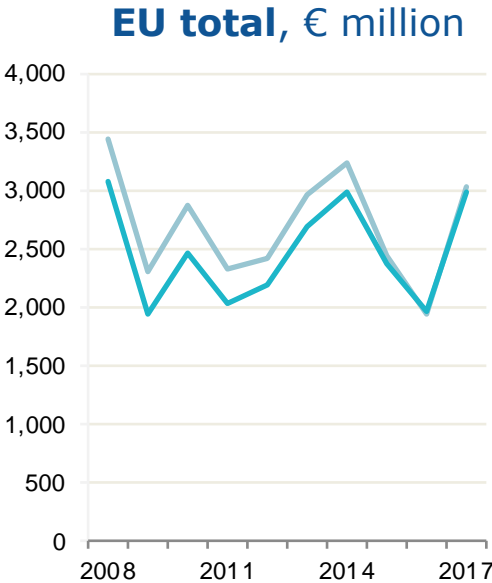


Source: DCF (provisional data pending final check and endorsement by STECF)

- In 2017, the EU fish processing sector generated **€6.8 bn of GVA**, **€3.3 bn of operating cash flow** and **€2.8 bn of net profit**.
- Average **GVA margin was 20.6%**, recovering from the decline observed in 2016.
- **Bulgaria, Portugal, Croatia and Romania** obtain the **highest GVA margins** while Malta and Slovenia the lowest ones.



Positive profits



Source: DCF (provisional data pending final check and endorsement by STECF)

- **Positive but fluctuating profit.** In 2017, **€3.0 billion** of **gross profit** and slightly less of net profit.
- **Gross profit margins** (8.4%) have **significantly improved**.
- **Positive profit** is observed in **most Member States**. **Sweden, and Malta** incurred in **losses** in 2017.



Main messages

- The European **Green Deal** and the **Farm to Fork** initiative will **influence** political decisions affecting **the fish processing sector**.
- The fish processing sector remains **dependent** on the **import of raw material** and international developments in the markets (i.e. prices). The main consumer is the internal EU market.
- The fish processing industry is an important **contributor to the Blue Economy**: it can **add significant value** to the raw fish **and** is a **central source of employment**, particularly female jobs.
- Latest available structural figures show a **positive developments in the economic performance** of the sector. However, the fish processing sector **will not be spared** of the impact of the **Corona virus crisis**, but it will also **participate of the support measures**.

The importance of fish processing industry on EU economy

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