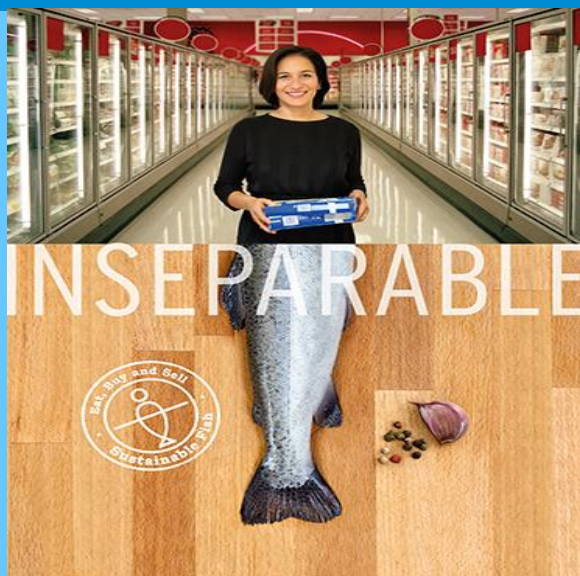


The Economic Performance of the EU Fish Processing Sector (STECF Report 17-16)

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MAC WG2 - Bilbao, 13.02.2019

Overview

- Introduction and background
- EU overview
- Country chapters – Germany as an example
- Value added of the report and criticism
- Outlook

Introduction and Background

- The European Data Collection Framework (DCF) included the **requirement** for EU Member States to collect economic data on the EU fish processing industry (**until 2017, now voluntarily**)
- STECF is requested to provide a **report** on the economic performance of the industry every two years – last report in 2017 on 2015 data, next report 2019
- Report includes overview on available **data** but also limited **analyses** and special chapter(s)
- EUROSTAT also reports data on the fish processing industry as an industry – DCF includes a few **additional variables**

Introduction and Background

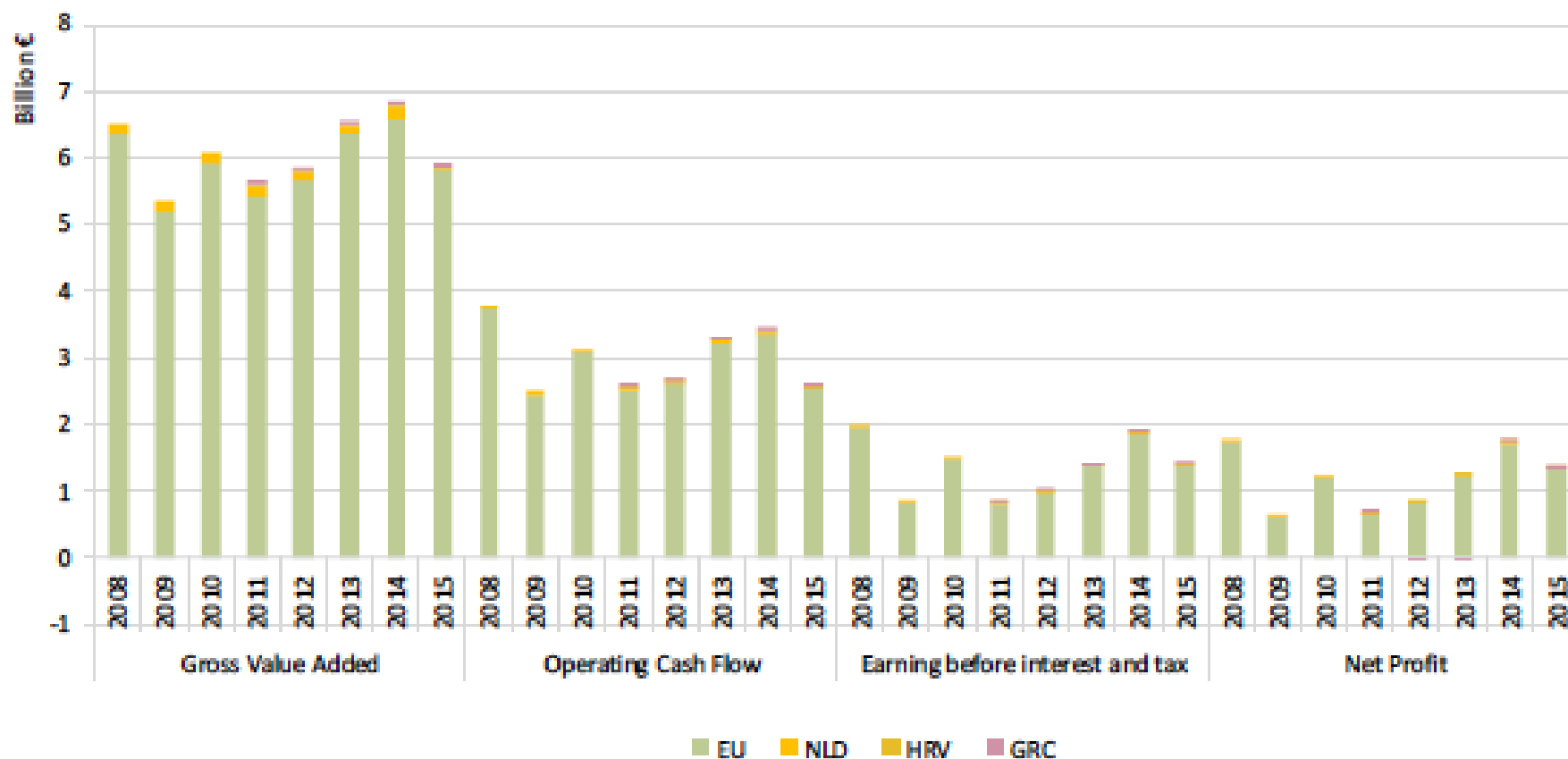
- Today's presentation includes a short overview on the overall EU and Germany as example for a national chapter
- Discussion/Questions on **value added of the report**



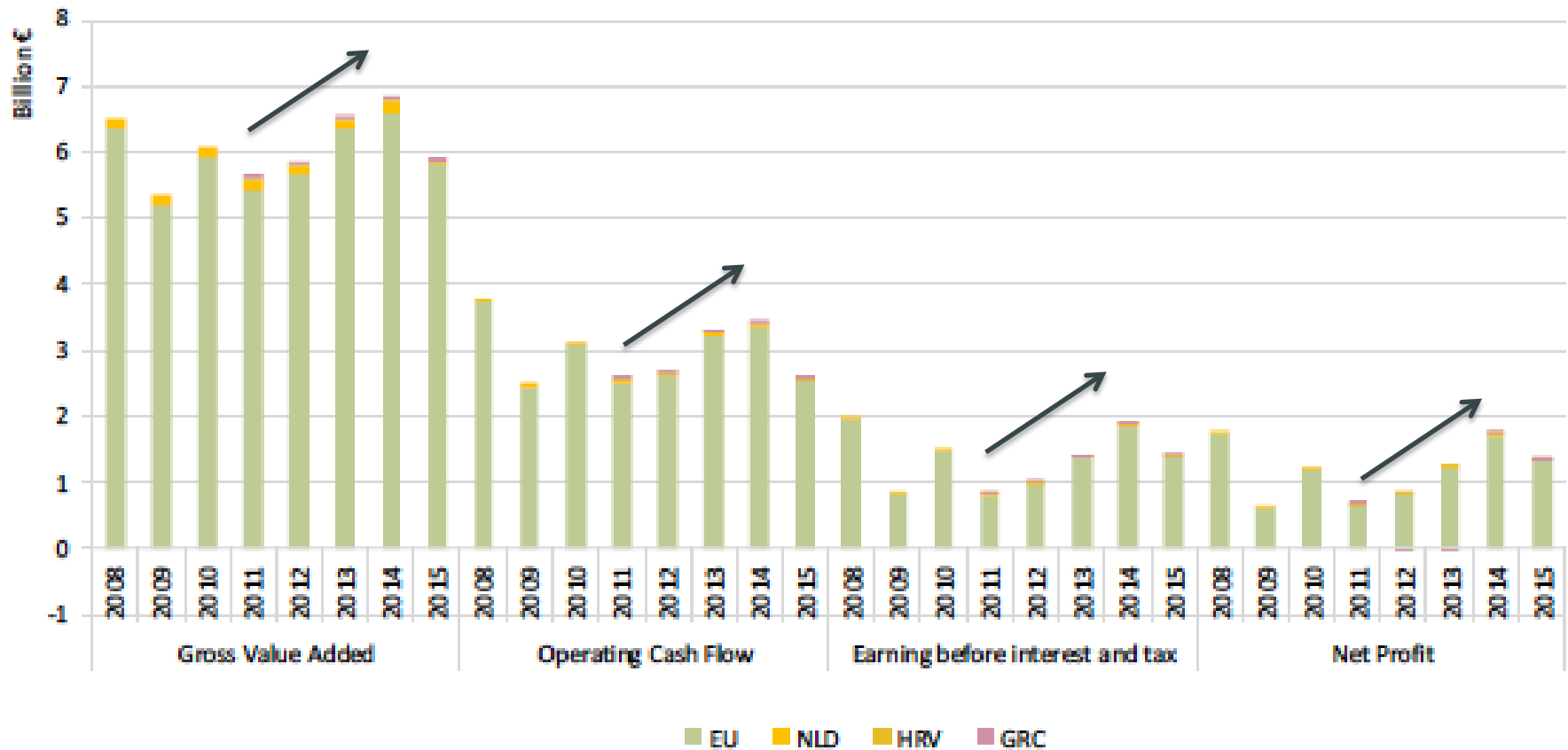
EU Overview

Variable	2008	2009	2010	2011	2012	2013	2014	2015	% of total income	Δ to 2014
Income (million €)										
Turnover	26,701.2	24,460.1	27,025.9	27,562.5	28,605.0	28,772.9	29,402.1	29,726.0	98% ▲	1%
Other income	382.7	298.9	511.8	578.9	593.7	1,007.9	1,445.4	666.8	2% ▼	-54%
Subsidies	60.7	57.2	58.7	77.3	89.5	72.5	59.4	84.4	0% ▲	42%
Total Income	26,934.9	24,639.5	27,417.8	28,027.2	29,070.7	29,545.3	30,695.6	30,255.0	100% ▼	-1%
Expenditure (million €)										
Purchase of fish and other raw material for production	14,920.6	14,169.3	15,718.6	16,729.5	17,549.6	17,748.7	18,175.2	18,620.2	62% ▲	2%
Wages and salaries of staff	2,764.0	2,846.4	2,949.8	3,112.9	3,240.8	3,270.7	3,400.9	3,354.0	11% ▼	-1%
Imputed value of unpaid labour	25.0	51.9	60.3	28.1	28.5	44.3	55.1	32.1	0% ▼	-42%
Energy costs	657.9	607.8	704.3	702.7	753.5	788.1	893.1	760.5	3% ▼	-15%
Other operational costs	4,777.6	4,470.4	4,860.0	4,834.8	4,807.4	4,393.3	4,723.2	4,874.0	16% ▲	3%
Total production costs	23,145.0	22,145.8	24,293.0	25,408.1	26,379.7	26,245.1	27,247.6	27,640.8	91% ▲	1%
Capital Costs (million €)										
Depreciation of capital	591.3	394.8	469.1	473.3	464.1	627.3	397.7	393.5	1% ▼	-1%
Financial costs, net	351.8	333.1	378.3	290.2	246.5	265.0	257.0	88.3	0% ▼	-66%
Extraordinary costs, net	18.3	17.3	17.0	2.3	7.2	63.5	40.2	33.3	0% ▼	-17%
Capital Value (million €)										
Total value of assets	11,912.4	11,937.9	13,617.0	13,645.5	14,915.4	14,905.4	15,592.1	15,148.2	50% ▼	-3%
Net Investments	781.5	493.3	705.6	821.4	576.1	634.0	725.0	608.5	2% ▼	-16%
Debt	7,177.4	6,746.0	7,233.2	7,007.1	7,309.0	8,962.4	8,051.8	7,492.2	25% ▼	-7%
Economic performance (million €)										
Gross Value Added	6,518.2	5,334.9	6,076.2	5,682.9	5,870.8	6,542.8	6,844.6	5,915.8	20% ▼	-14%
Operating Cash Flow	3,789.9	2,493.7	3,124.8	2,619.2	2,691.0	3,300.3	3,448.0	2,614.2	9% ▼	-24%
Earning before interest and tax	1,993.6	851.7	1,520.7	878.8	1,022.1	1,395.7	1,907.9	1,437.6	5% ▼	-25%
Net Profit	1,791.4	641.1	1,214.4	699.5	853.1	1,227.4	1,738.8	1,367.5	5% ▼	-21%

EU Overview – general development



EU Overview – general development



EU Overview – Special chapter EMFF funding

Country	Measure 2.3. Fish processing and marketing	Total support (EFF + national contribution)	Share devoted to fish processing and marketing
AT	4176360	10082902	41.4
BE	488141	38997846	1.3
BG	3104142	35739167	8.7
CY	2156975	34673610	6.2
CZ	2469476	27238541	9.1
DE	24510484	140873948	17.4
DK	11655927	189048457	6.2
EE	13976932	94481127	14.8
ES	387791428	1900833470	20.4
FI	18410757	77992170	23.6
FR	23153923	484453086	4.8
GR	17523955	235395403	7.4
HR	0	0	0.0
HU	1967607	36411544	5.4
IE	0	84695324	0.0
IT	86327672	460194856	18.8
LT	18834450	55104507	34.2
LV	30273150	147542932	20.5
MT	563657	8178139	6.9
NL	1656145	92593015	1.8
PL	99245900	695016690	14.3
PT	63369322	209270118	30.3
RO	10148265	95291733	10.6
SE	20512448	135104892	15.2
SI	3999328	22578206	17.7
SK	6717983	20663603	32.5
UK	37523895	172964209	21.7
Total	890558323	5505419496	16.2

EU overview – trends and drivers

- Dependency on raw material and imports
- Effects of regulation
- Increased demand for certified products
- Economic crisis
- Outsourcing to other Member States
- Market power of retailers and supermarket chains
- Russian embargo

National Chapters – Germany as an example

- Same structure for every chapter and similar to EU overview
 - General overview
 - Economic performance
 - Trends and drivers of change
 - Outlook

Germany: Sector overview

Variable	2008	2009	2010	2011	2012	2013	2014	2015	Δ (2014-15)	Δ (2008-15)
Structure (number)										
Total enterprises	281	263	265	265	250	253	258	248	▼ -4%	▼ -12%
≤ 10 employees	197	184	186	183	171	176	178	164	▼ -8%	▼ -17%
11-49 employees	55	52	51	58	56	54	56	54	▼ -4%	▼ -2%
50-249 employees	21	20	22	17	15	15	16	22	▲ 38%	▲ 5%
≥ 250 employees	8	7	6	7	8	8	8	8	■ 0%	■ 0%
Employment (number)										
Total employees	8,441	7,566	7,031	6,780	7,010	6,751	6,561	6,665	▲ 2%	▼ -21%
Male employees	4,244	3,923	3,558	3,667	3,826	3,516	3,439	3,556	▲ 3%	▼ -16%
Female employees	4,197	3,643	3,473	3,113	3,184	3,235	3,122	3,109	■ 0%	▼ -26%
FTE	7,995	7,212	6,786	6,544	6,664	6,476	6,251	6,373	▲ 2%	▼ -20%
Indicators										
FTE per enterprise	28.5	27.4	25.6	24.7	26.7	25.6	24.2	25.7	▲ 6%	▼ -10%
Average wage (thousand €)	33.9	34.7	35.5	35.6	36.2	36.0	38.4	37.6	▼ -2%	▲ 11%
Unpaid work (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	■ 0%	■ 0%

Germany: Sector overview

Variable	2008	2009	2010	2011	2012	2013	2014	2015	Δ (2014-15)	Δ (2008-15)
Income (million €)										
Turnover	2,366.5	2,034.0	1,972.7	1,966.5	2,040.4	2,059.7	1,982.9	2,091.4	▲ 5%	▼ -12%
Other income	6.7	4.4	4.3	5.1	11.4	6.2	9.7	16.1	▲ 66%	▲ 139%
Subsidies	1.2	1.0	0.4	0.3	0.1	0.0	0.0	0.0	▼ -100%	▼ -100%
Total Income	2,374.4	2,039.4	1,977.5	1,971.9	2,051.8	2,066.0	1,992.6	2,107.4	▲ 6%	▼ -11%
Expenditure (million €)										
Purchase of fish and other raw material for production	1,433.5	1,297.5	1,181.7	1,208.2	1,282.8	1,260.3	1,212.3	1,237.2	▲ 2%	▼ -14%
Wages and salaries of staff	270.8	250.5	240.8	232.9	241.1	233.4	239.8	239.4	■ 0%	▼ -12%
Imputed value of unpaid labour	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	■ 0%	■ 0%
Energy costs	38.8	36.4	36.7	39.3	44.9	47.0	45.8	44.4	▼ -3%	▲ 14%
Other operational costs	540.8	387.6	378.7	398.1	456.4	413.2	427.7	479.1	▲ 12%	▼ -11%
Total production costs	2,284.0	1,972.0	1,837.9	1,878.5	2,025.3	1,954.0	1,925.6	2,000.1	▲ 4%	▼ -12%
Capital Costs (million €)										
Depreciation of capital	40.8	38.2	34.0	36.1	40.8	41.0	32.9	37.4	▲ 14%	▼ -8%
Financial costs, net	19.0	14.4	11.1	13.4	13.4	11.9	10.1	8.1	▼ -20%	▼ -58%
Extraordinary costs, net	0.0	0.0	2.3	0.0	0.0	0.0	0.0	0.0	■ 0%	■ 0%
Capital Value (million €)										
Total value of assets	586.2	410.1	403.5	402.7	392.3	952.7	915.5	932.5	▲ 2%	▲ 59%
Net Investments	50.9	31.6	33.2	25.7	28.4	25.7	25.0	29.1	▲ 16%	▼ -43%
Debt	316.5	221.4	184.6	223.4	222.8	802.7	765.5	746.8	▼ -2%	▲ 136%
Economic performance (million €)										
Gross Value Added	360.1	316.8	379.9	325.9	267.6	345.4	306.8	346.7	▲ 13%	▼ -4%
Operating Cash Flow	90.4	67.4	139.6	93.4	26.5	112.0	67.0	107.4	▲ 60%	▲ 19%
Earning before interest and tax	49.7	29.2	105.6	57.3	-14.3	71.0	34.1	70.0	▲ 105%	▲ 41%
Net Profit	30.7	14.8	94.5	43.9	-27.7	59.1	24.1	61.9	▲ 157%	▲ 102%

Germany: Sector overview

Variable	2008	2009	2010	2011	2012	2013	2014	2015	Δ (2014-15)	Δ (2008-15)
<i>Productivity and performance Indicators (%)</i>										
Labour productivity (thousand €)	45.0	43.9	56.0	49.8	40.2	53.3	49.1	54.4		
Capital productivity	61.4	77.3	94.2	80.9	68.2	36.3	33.5	37.2		
GVA margin	15.2	15.5	19.2	16.5	13.0	16.7	15.4	16.5		
EBIT margin	2.1	1.4	5.3	2.9	-0.7	3.4	1.7	3.3		
Net profit margin	1.3	0.7	4.8	2.2	-1.3	2.9	1.2	2.9		
Return on Investment	8.5	7.1	26.2	14.2	-3.7	7.5	3.7	7.5		
Financial Position	54.0	54.0	45.8	55.5	56.8	84.3	83.6	80.1		
Future Expectation Indicator	1.7	-1.6	-0.2	-2.6	-3.2	-1.6	-0.9	-0.9		

Germany: Trends and Drivers of change - Brexit

Table 2.17: Trade¹ between Germany and the UK: Main species groups, weight and value for 2015.

Species (group)	Import 1.000 €	Import tons	Export 1.000 €	Export tons
Alaska/Pacific pollock, Pacific cod (incl. breaded fillets)	3,350	1,063	93,653	29,041
Salmon fresh, smoked, frozen, filleted	22,423	3,276	47,400	5,192
Sea bass fresh, chilled	24	2	7,498	1,415
Mackerel smoked, filleted, frozen	9,078	5,280	2,784	812
Herring frozen, chilled, filleted	8,545	7,083	5,197	1,661
Cod frozen, fresh, whole, filleted	6,739	1,058	30,449	5,502
Sum	50,159	17,762	186,981	43,623
<i>Share</i>	<i>50%</i>	<i>72%</i>	<i>79%</i>	<i>84%</i>
National total	99,587	24,687	235,372	51,666

¹Import= import of UK goods to Germany; source: Federal Statistical Office, Germany).

Value added of the report and critic

- A few **additional** variables to EUROSTAT like total assets, debt, subsidies, unpaid labour
- Initiatives to improve data collection out of the STECF working groups → sourcing of raw material as **link** to EU fishing fleet
- **Criticism:** The report does not really reflect the structure of the industry – products/species are of more interest than bookkeeping numbers of companies
 - Examples: Fresh fish market, smoked products, salmon industry etc.

Outlook

- **Next report** at the end of 2019 – first after data collection became **voluntary**
- Report will **rely partly** on EUROSTAT data – but not that different as some countries also only delivered EUROSTAT data to fulfil the DCF
- Sources of raw material: possible data collection under consideration → may help to draw link to **dependency** of the industry on **EU resources**
- Question remains: Would it be possible to change the content to reflect more **value chains** of products/species?