

Presentation to the Market Advisory Council of the
Annual Economic report of the EU Fishing Fleet 2020
AER 2020

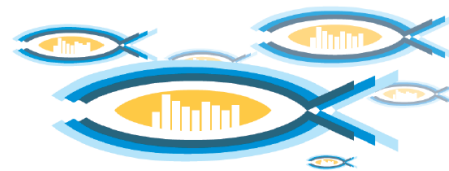


JRC SCIENCE FOR POLICY REPORT

Scientific, Technical and Economic
Committee for Fisheries (STECF)

The 2020 Annual Economic
Report on the EU Fishing Fleet
(STECF 20-06)

Edited by
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2020



OBJECTIVE

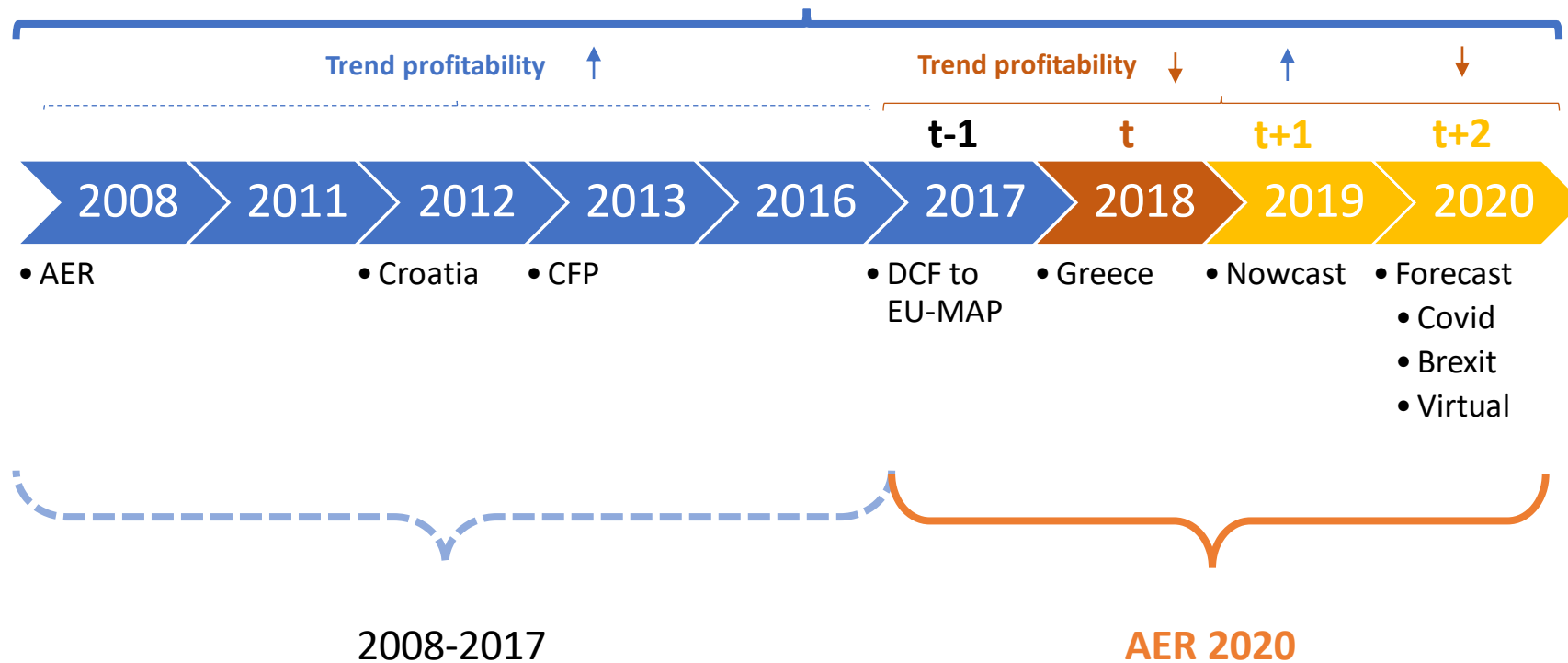
Use the expertise of more than 50 people and the economic data of the fleets to obtain:

**A full overview of the economic situation of the EU fleet
in 2018.**

and project the situation to 2019 & 2020

TIMELINE

Profitability & Economic Growth ↑



In four sentences

- Prior to 2017 reduction in the number of vessels although, individually, more profitable;
- In 2017-2018 we cannot say this;
- In 2019 profitability recovered but in 2020 the COVID-19 came;
- The EU fleet is profitable and with positive economic growth.

CONTENTS

- EU overview ➤ All, SSCF, DWF; LSF
- National chapters ➤
 - 2018
 - 2018 vs 2017
 - 2018 vs 2017-2008
 - 2019 (nowcast)
 - 2020 (forecast), including COVID-19
- Regional chapters ➤
 - MED, BS, BAL; NS; SWW;NWW
 - NAFO;
 - OFR;
 - LDF: ICCAT, CECAF, IOTC
- Annexes ➤
 - UK NC
 - Nowcast and COVID-19 methodology
 - Tables and more tables
 - TFP

Use this link if you want to go through it



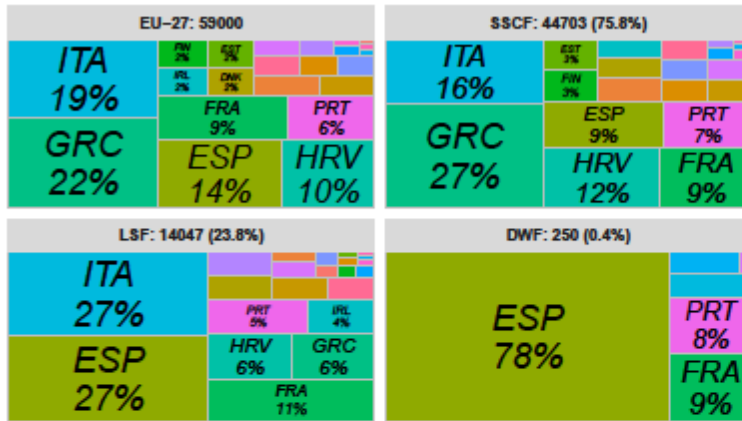
EWG 20-03 & EWG 20-06

**Let's talk about
2018 (or year t)**

At a glance

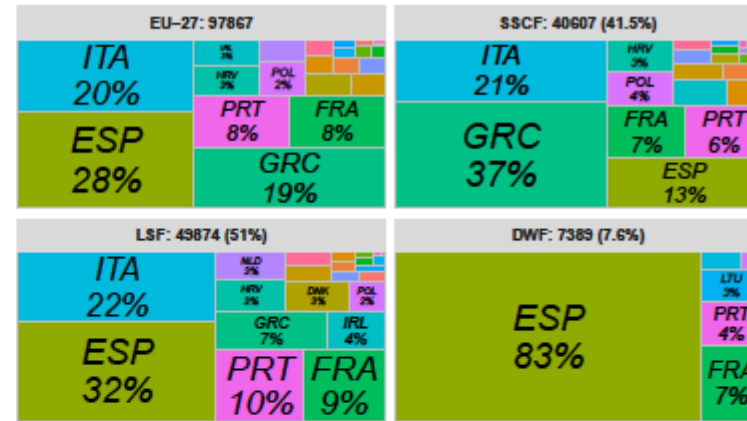
EU-27 (2018) Fleet at a glance: Active vessels, FTE, Value of landings and Gross value added (GVA)

Active vessels



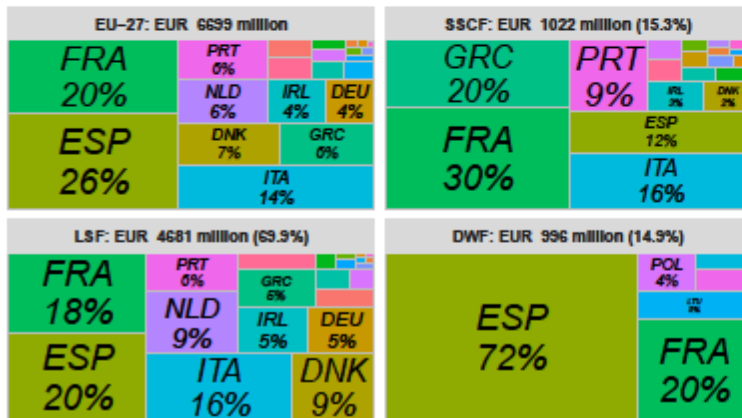
Source: AER 2020

FTE



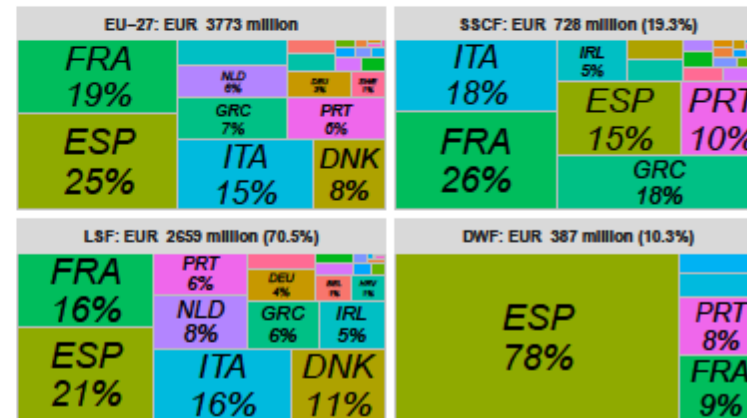
Source: AER 2020

Value of landings



Source: AER 2020

GVA



Source: AER 2020

EU 28

2018

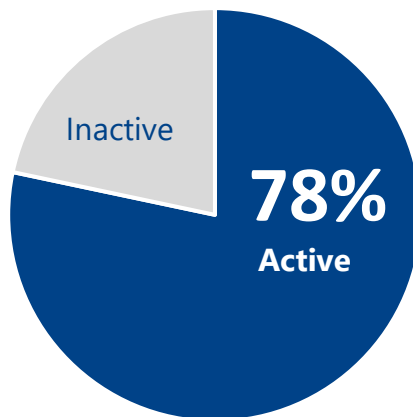
5.3 M tonnes

Landings

EUR 7.8 billion

Value of landings

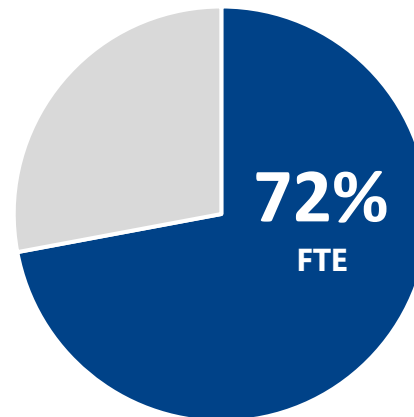
FLEET



81 199

Total vessels

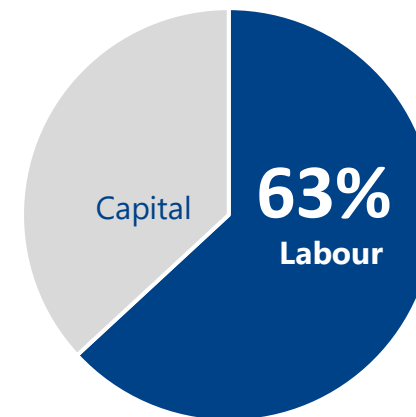
CREW



146 906

Fishers

GVA



EUR 4 880 M

Contribution to GDP

EU 28

2018* vs 2017*

-3.1%

Landings

FLEET



-2.1%

Total vessels

CREW



-3.0%

Fishers

-3.9%

Value of landings

GVA



-8.1%

Contribution to GDP

*Excluding Greece

EU 28

2018

SSCF

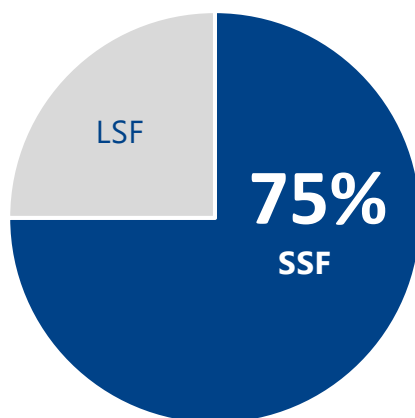
0.27 M tonnes

Landings

EUR 1.17 billion

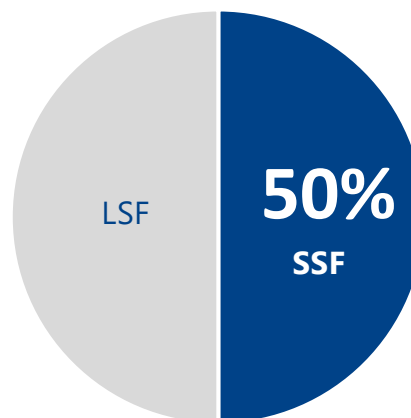
Value of landings

FLEET



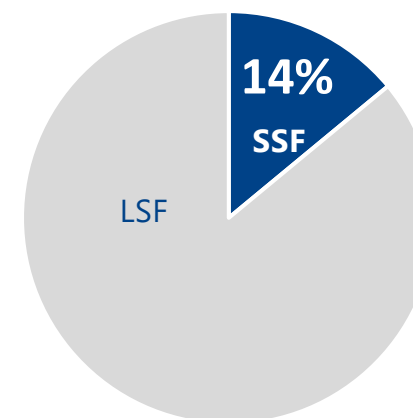
48 000
Active vessels

CREW



73 605
Fishers

GVA



EUR 814 M
Contribution to GDP

EU 28

2018* vs 2017*

SSCF

-8.1%

Landings

FLEET



-2%

Active vessels

CREW



-3.2%

Fishers

+0.4%

Value of landings

GVA



-1.5%

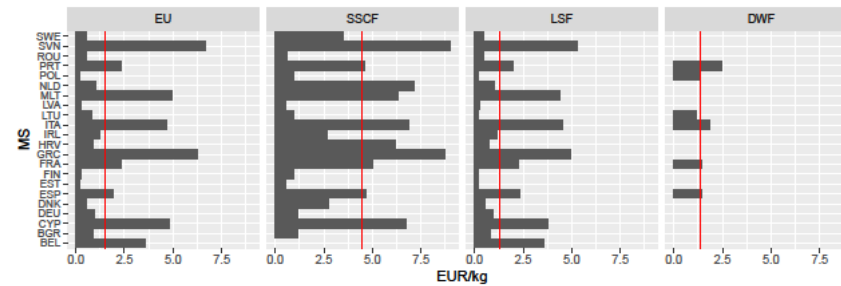
Contribution to GDP

*Excluding Greece

At a glance (2018)

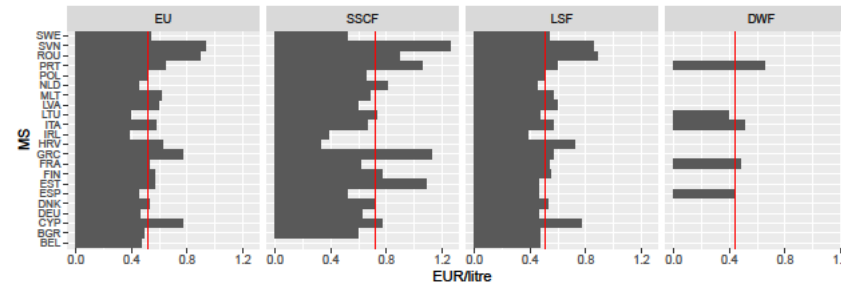
**EU-27 (2018). Price drivers at a glance:
Mean prices of landings, mean fuel prices and Gross profit per vessel**

Landings average prices



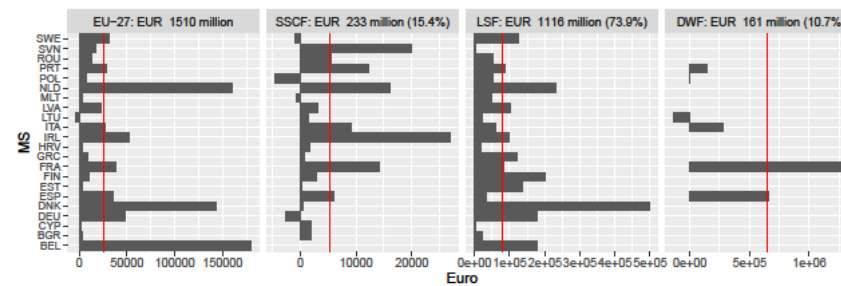
Source: AER 2020

Fuel average prices



Source: AER 2020

Gross profit per vessel



Source: AER 2020

At a glance (2018)

EU-27. Trends 2018-2017
Average Market prices EUR/kg)
Red implies decreasing trend and green increasing trend

EU-27:All



EU-28

LSF vs. SSCF vs. DWF

2018

- Overall, SSCF improves profitability margins while LSF's goes down. But:
 - In the Mediterranean & Black Sea the opposite;
 - SWW, NWW and North Sea's SSCF profitability up;
 - but the Baltic SSCF's almost collapses.
 - LSF's profitability down except in the Mediterranean.
 - Gap in profitability between SSCF and LSF close to zero.
- Average wages much higher in LSF, but SSCF values biased by mixed rents.
- DWF with only 0.4% of the fleet account for 14% of the landings (value and weight).
 - Profitability margins of DWF improved in 2018.
 - French OMRs not included in this profitability assessment.

LSF drives the EU
Overview

FORECAST

**Let's talk about
2020 (or year $t+2$)**

Forecast 2020 More than COVID-19

- Is **not an Impact assessment** of the COVID-19 on EU fisheries, is the usual AER forecast updated.
- A COVID-19 adjustment factor calculated based on four sources of data. When discrepancies among the data sources: equally weighted.
- General EU-27 fisheries affected as in the general economy

{	GVA from 2019 to 2020
	EUROSTAT EU-27: -12%
	AER EU-27: -14%

 - Real prices relatively constant or down.
 - Fuel costs down (-25%).
 - Activity severely affected: FTE (-14%); Landings (-13%); Value of Landings (-16%).
 - Capital remuneration (-26%) suffers more than labour (-14%) from this drop.
- Quite dispersed among Member States. While in overall terms we can be right, at individual level there could be problems.

At a glance (Prices 2020)

EU-27. Trends 2020-2019
Average Market prices (EUR/kg)
Red implies decreasing trend and green increasing trend

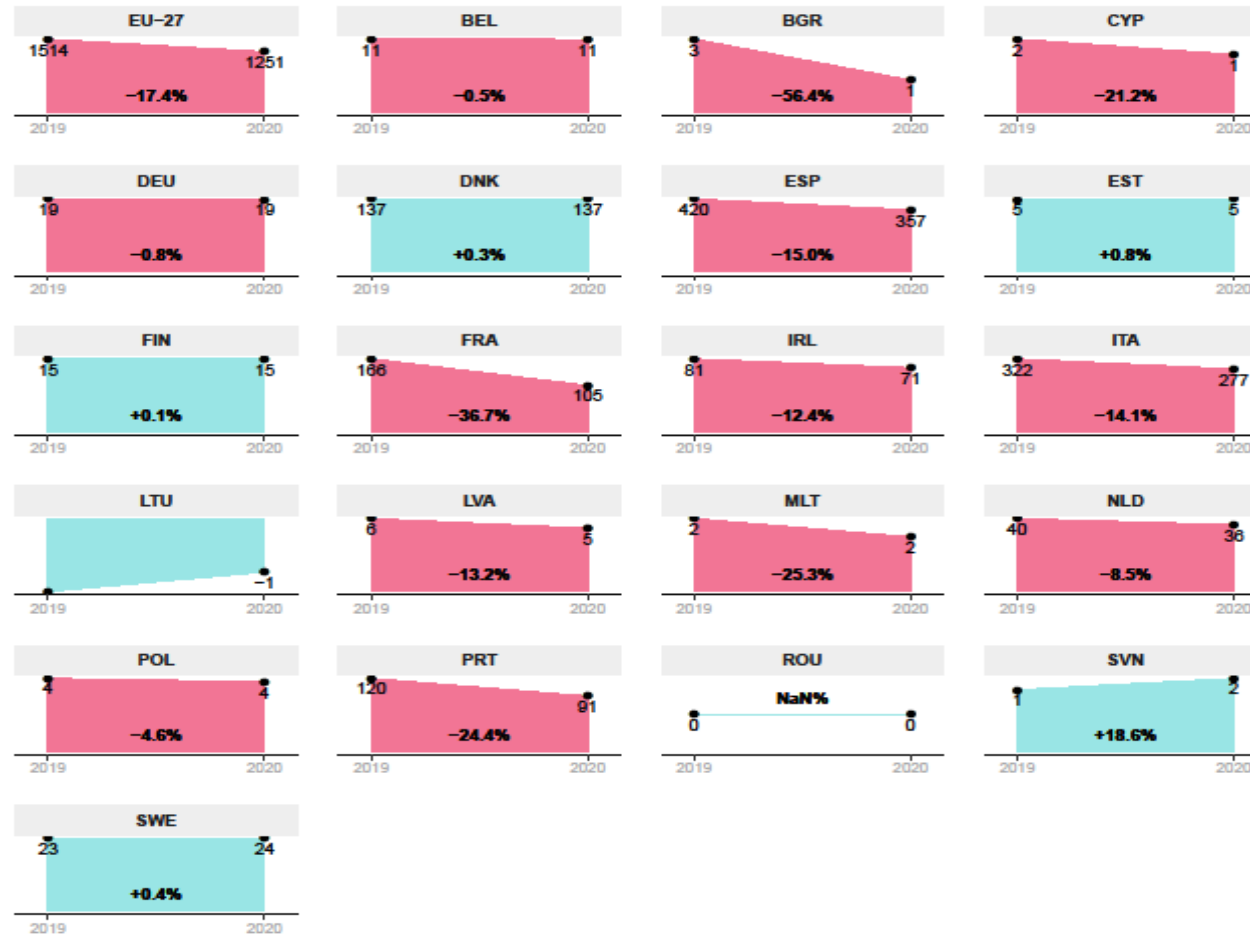
EU-27:All



At a glance (Gross profits 2020)

EU-27. Trends 2018-2017
Gross Profits (million EUR)
Red implies decreasing trend and green increasing trend

EU-27:All



PRODUCTIVITY

Let's talk about Efficiency

Growth accounting

TFP

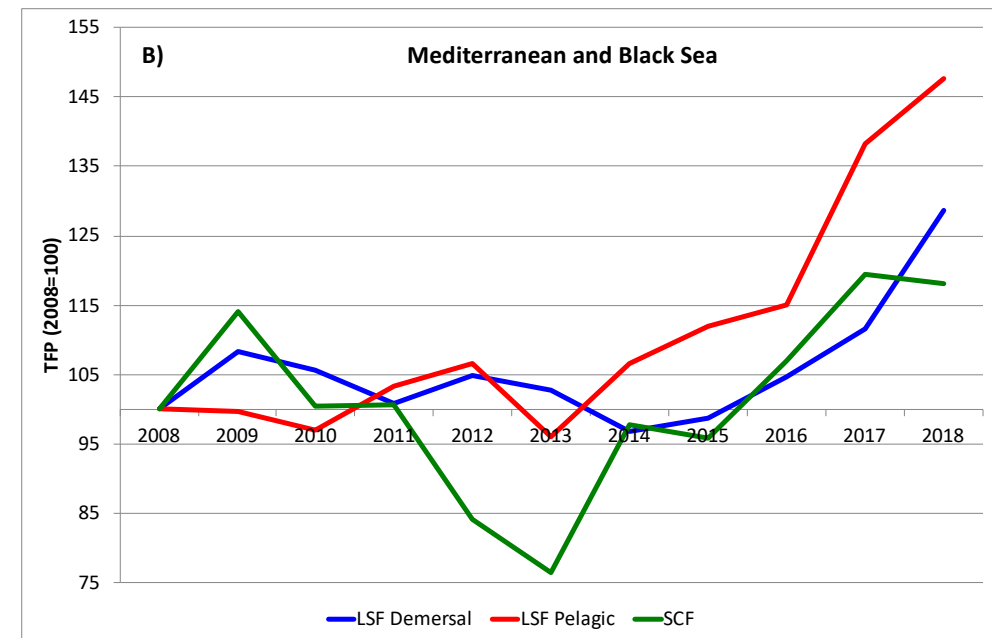
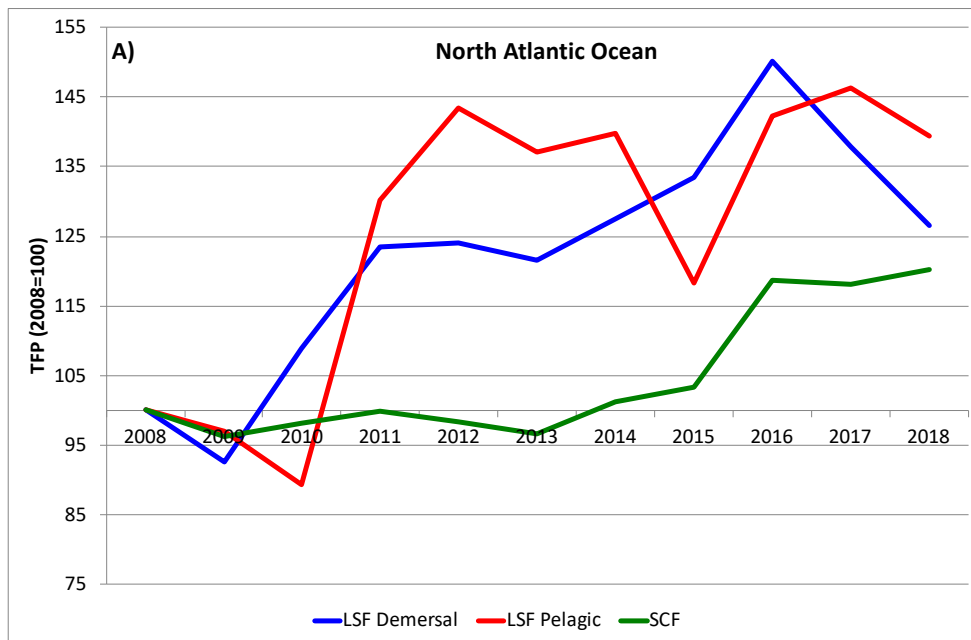
- Total Factor Productivity (TFP) is defined as the portion of output not explained by the amount of inputs used in production.
- It measures the productivity of all inputs or factors of production.
- Two Supra-areas:
 - North Atlantic Ocean and Mediterranean & Black Sea.
- Fleets:
 - SSCF & LSF; Pelagic & Demersal

Findings

- Capital and energy are complements when producing capital services;
- Substitution effect among capital services and labour;
- Energy and capital are more complementary in demersal fleets than in the pelagic fleets.
- The TFP average levels in the NAO are larger than in the MED&BS:
- SSCF higher productivity than LSF. “Rank reversal”. Reasons of distortion to be explored.

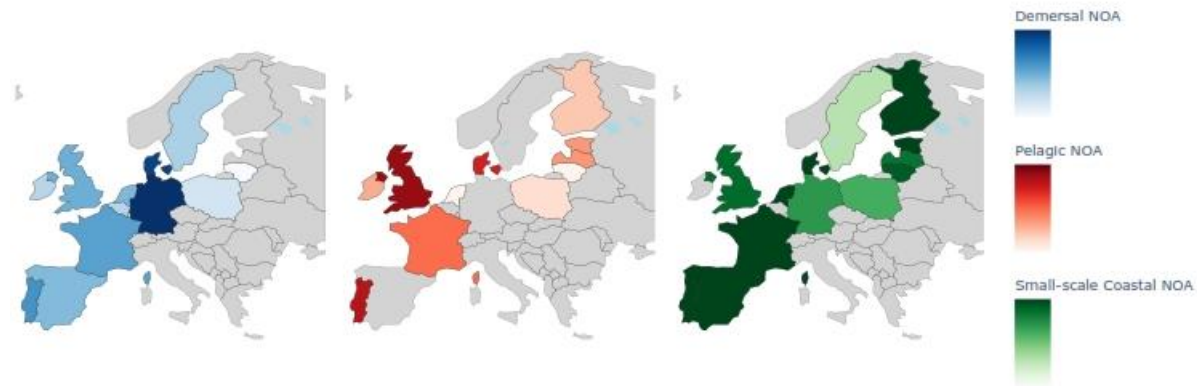
Growth accounting

There is economic growth!!!



Growth accounting

2018 Total Factor Productivity in the North Atlantic Ocean



2018 Total Factor Productivity in the Mediterranean and Baltic Sea



EWG 20-03 & EWG 20-06

The End

Happy to respond any question that
you have or send it to:

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