



Advice

STECF's Economic Report on the Fish Processing Industry (2021)

Brussels, 3 February 2023

1. Background

The Scientific, Technical and Economic Committee for Fisheries (STECF) publishes, every two years, the Economic Report on the Fish Processing Industry¹, which is one of the main sources of economic and social data for scientific advice on the performance of the EU fish processing industry. As highlighted in previous advice², the report has particular relevance for the work of the Market Advisory Council (MAC) and is highly valued by the relevant stakeholders.

Based on the Data Collection Framework and the EU Multi-Annual Programme (MAP)³'s call for economic data on the EU fish processing sector, the experts analyse and comment on the economic performance of the EU and national fish processing sectors. Issues covered include structural aspects, economic data and performance indicators (e.g., revenue items, cost items, earning, profitability), social indicators (e.g., employment by gender, labour productivity and average salaries, education level, nationality), national chapters on the economic performance of the fish processing industry at Member States level. There can also be special chapters on specific topics (e.g., COVID-19 pandemic).

¹ The reports are made publicly available on the [website](#) of the Joint Research Centre (JRC).

² On 23 September 2020, the MAC adopted [advice](#) on "Data Collection by the Scientific, Technical and Economic Committee for Fisheries (STECF)", which included a section dedicated to this economic report.

³ More information on the Data Collection Framework and the data calls, including the legal framework, can be found on the [website](#) of the JRC.

2. Introduction

Presently, the report is published every two years. Considering the importance of the report, greater and more continuous involvement of the experts could be sought through annual editions, further improving of the quality of the report. This is even more important in case of significant developments regarding country data. Nevertheless, it is important to recognise that, considering the necessary resources, a change to an annual basis could be difficult to achieve.

The credibility of the report depends on the accuracy of the data and its usefulness depends on timely data. In terms of timeline and time gaps, if we consider the latest edition, the 2021 report was published in 2022 using mainly 2019 data plus some 2020 data voluntary provided by a few Member States – representing a very significant delay. Member States should contribute with their data on a regular basis. If information is provided more timely, the system can be improved and continuously updated, reducing gaps.

In the past, data collection was mandatory. Currently, the data collection is voluntary for Member States. Mandatory data collection, on a limited number of items, would allow a fuller and more harmonised picture of the market, avoiding biases in the final report. The report should be based, at maximum, on Y-2 data, while qualitative interpretation of Y-1 and Y should be provided by the experts. If the report continues to be voluntary, minimum requirements should be set for the data that Member States should provide on yearly basis. Other sources of information, from example from the industry, could also be considered. It is worth noting that increased efforts from the Member States to improve data collection would allow a better understanding of the EU fish processing industry and its added value.

3. Content of the report

It is fundamental to ensure that the experts who prepare the report have field knowledge, to avoid misinterpretation of the analysed data. The statements made in the report should include,

as much as possible, scientific references. The consultation of stakeholders, for example through workshops/seminars, with field knowledge, could also improve the quality of the report.

The purchase of fish and raw material is the dominant cost item for the sector. In the past, STECF experts have called for more detailed information on the main species, the main production method (wild fisheries or aquaculture) and the provenance or origin (EU or extra EU, FAO Zones) of the raw material to allow a better assessment of the strengths and vulnerabilities of the sector. Data from EuroStat does not provide such details. Reporting on these is voluntary for Member States. It is important to note that the FAO collects data on volumes on the use of fish caught or farmed from its member countries. The MAC agrees with the previous calls from STECF experts that more detailed information, beyond the data provided by EuroStat on the raw material would improve the overview of the industry. In this context, a good understanding of the mechanisms of the supply chain would also require a good knowledge of the sector's flows, while also accounting for limits in terms of business confidentiality and competition law.

The report includes national chapters on the economic performance of the fish processing industry at Member States level. In case of the 2021 edition of the report, MAC members have noted a lack of data or inaccurate data for some of the national chapters. As an example, in the Spanish case, the references used for the report should be more in order to describe the whole fish processing activities (canned, frozen, smoked, salted, etc.) in detail. All existing public reports should be considered. In the same vein, for France, members have noted that the data are incomplete or erroneous, which can distort the interpretation when aggregating them to analyse macroeconomic trends.

4. Recommendations

In the development of the 2021 edition of the Economic Report on the Fish Processing Industry, particularly the adoption of the Terms of Reference for the STECF Expert Working Group, the

MAC believes that European Commission and the Member States, with the appropriate involvement of STECF, should:

- a) Guarantee the appropriate level of field knowledge, including through the selection of experts and the consultation of stakeholders;
- b) Modify the periodicity of publication from biennial to annual;
- c) Require mandatory data collection on a selected / limited number of items by the national authorities. If the report continues to be voluntary, set minimum requirements for the data to be provided annually;
- d) Ensure that data is provided on a regular basis, to allow the continued improvement and updating of the system and underpinning the credibility and usefulness of the report;
- e) Collect information, beyond the EuroStat data, on the purchase of fish and raw material (e.g., main species, main source, origin or provenance), while also accounting for limits in terms of business confidentiality and competition law. The aggregation of data on volumes on the use of fish caught or farmed in a similar manner to FAO could also be useful;
- f) Further improve the national chapters, including through the provision of quality data and other sources of information, to avoid incompleteness, errors, and distortions;
- g) Include special chapters dedicated to specific issues, for example on the energy crisis following the Russian invasion of Ukraine, the long-term effects of Brexit, the importance of raw material supplies for the procurement of the EU market of fisheries and aquaculture products, the impact of logistical bottlenecks and transport costs, the rising costs of raw material, packaging and energy, the investments made in energy saving, and the incorporation of circular economy constraints.