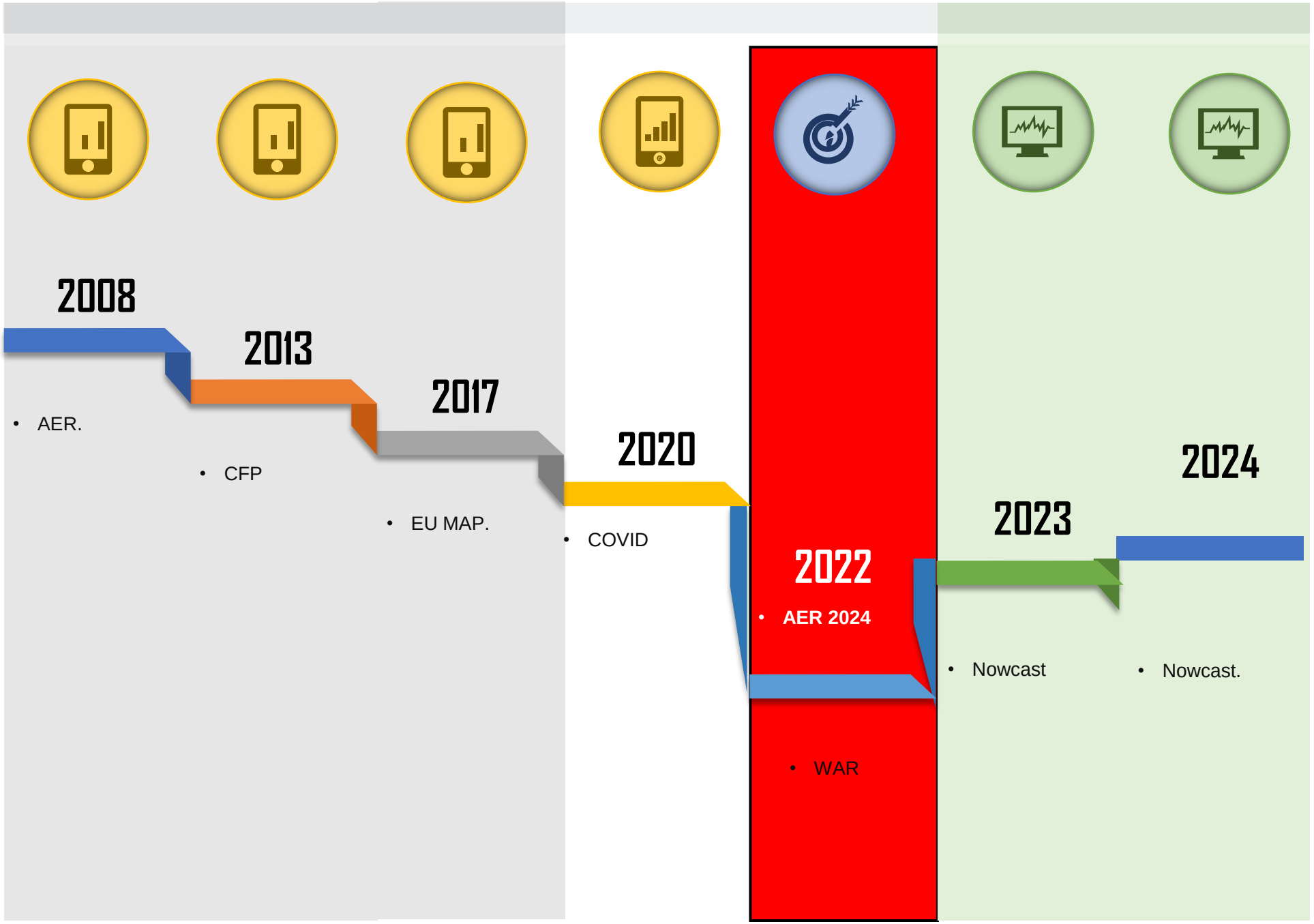
AER 2024

THE 2024 ANNUAL ECONOMIC REPORT OF THE EU FISHING FLEET

Chaired by:
Raúl Prellezo
Evelina Sabatella

With the support of 50 experts
+ 4 JRC

Market Advisory Council (29/01/2025)


2008
• AER.
2013
• CFP
2017
• EU MAP.
2020
• COVID
2022
• AER 2024
• WAR
2023
• Nowcast
2024
• Nowcast.

Content

EU;SSCF/LSF/DWF

.

An EU overview and by activity.

01
EU
Overview

22 Member States

A chapter for each MS.

02
National
chapters

Regional level

.

Baltic; SWW; NWW; Black Sea; North Sea; Mediterranean

DWF: OMR; CECAF; ICCAT; IOTC; NEAFC

03
Regional
chapters

2023 and 2024

Outlook for the most recent year using all the data available.

04
Nowcast

RESULTS
AER 2024

EU Overview

Landings Indicators

2022

3.49 million tonnes

€ 6.6 billion

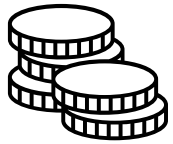
Trends

-2.5%

-0.5%

Economic Indicators

2022



GVA: € 3.4 billion

GP: € 1.1 billion

NP: € 0.148 billion

Trends

-8.1%

-16.5%

only 2.2% of the revenue retained 2nd lowest value of the TS

Employment Indicators

2022

119 702 fishers

75 816 FTE

34 336 unpaid

Labour Cost: € 30 277

Trends

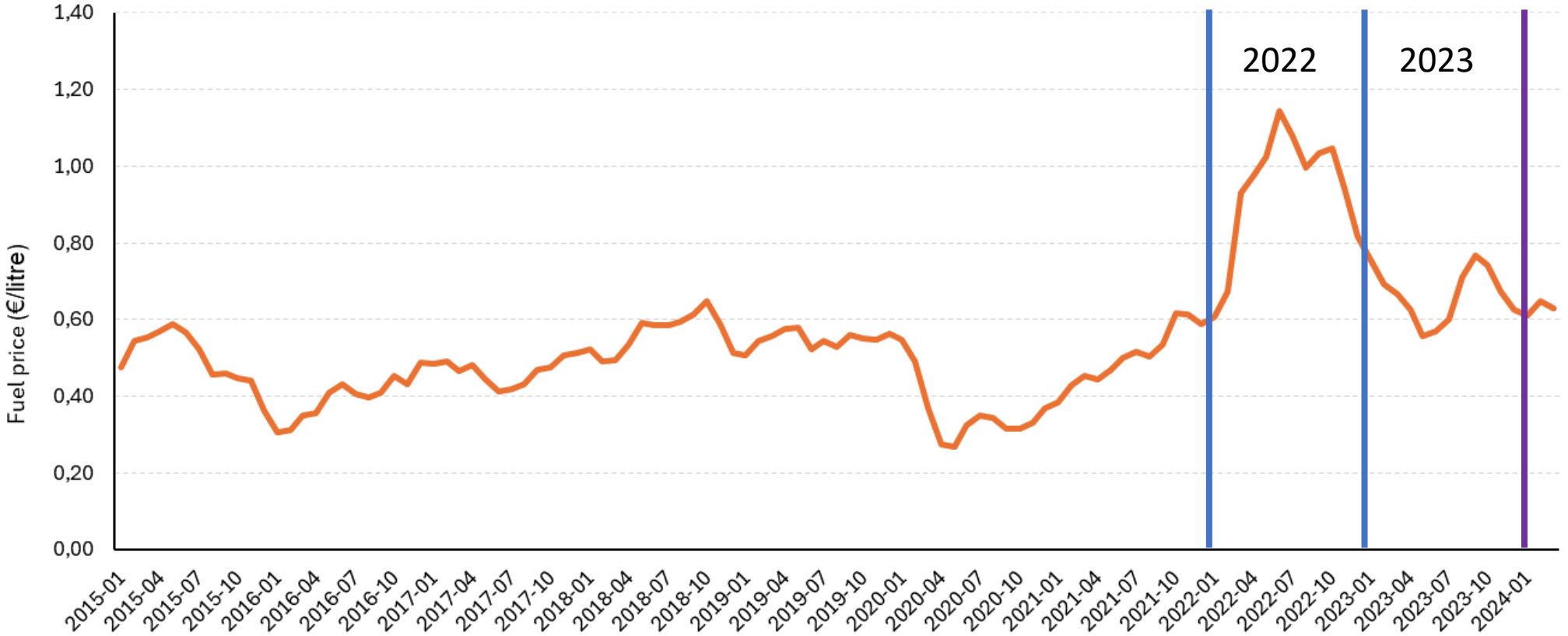
-1.8%

-7.6%

-8.1% (VUL)

+4.5%

Drivers: EU



All monetary values have been adjusted for inflation; constant prices (2022).

Nowcast: EU

Nowcast for 2023

- The results anticipate a 3% decrease in landed weight in 2023 compared to 2022. With a slight fall in fish prices (real), there is a 9% decrease in landed value.
- On the cost side, a 14% decrease is anticipated, driven largely by a 31% decrease in fuel costs and the price of fuel has fallen from a decade long high in 2022.
- Overall, the change in economic performance is anticipated to slightly improve in 2023 across most metrics including GVA (3%), gross profit (29%), and net profit (244%). This improvement is from a record low year in 2022 and most indicators remain below a decadal average.
- The number of vessels and employment continue a long-term and steady decline.
- Key drivers of these results are fewer fishing opportunities (decrease in income and variable costs) fuel prices (decrease in variable costs), vessel decommissioning (decrease in fixed costs), and in some Member States improving efficiency (increase in catch per day at sea).

Nowcast for 2024

- The results anticipate a 3.1% increase in landed weight in 2024 compared to 2022 (6% compared to 2023). This effect is compounded by lower fish prices, leading to an anticipated -2.4% in landed value compared to 2022 (although 7% higher compared to 2023).
- On the cost side, a 11% decrease is anticipated, driven largely by a continuation of lower fuel costs and lower fixed costs from vessel decommissioning (particularly from larger fleet segments).
- Overall, the change in economic performance is anticipated to moderately improve in 2024 across most metrics including GVA (16% compared to 2022, 12% compared to 2023), gross profit (12% compared to 2022, 18% compared to 2023), and net profit (56% compared to 2022, 53% compared to 2023). This year-on-year improvement brings these indicators close to their decadal average.
- The number of vessels and employment continue a long-term and steady decline.
- Key drivers of these results are vessel decommissioning (decrease in fixed costs), the continued lower fuel prices (decrease in all costs), and rising fish prices (increase in income), particularly for pelagic species. The change in fishing opportunities varies significantly by Member States and fleet segments.

All monetary values have been adjusted for inflation; constant prices (2022).

Calculations

Short term break even

STBEFP = (Gross Profit-Energy Cost)/Energy Consumption

Long term break even

LTBEFP = (Operational Profit-Energy Cost)/Energy Consumption.

Most important segments also calculated in each MS chapter

Supra region	Fishing technology	Fuel Price	Short-term BER fuel price	Long-term BER fuel price	Energy Efficiency	Energy intensity
MBS	DFN	1.15	0.54	-0.13	25%	1 784
	DRB	0.98	4.44	3.48	11%	363
	DTS	0.91	1.23	0.83	39%	3 107
	FPO	0.94	3.52	3.07	12%	964
	HOK	0.99	1.85	1.13	20%	1 686
	MGO	0.71	7.90	7.45	10%	779
	PG	1.23	3.08	2.50	25%	541
	PGO	1.08	2.15	0.22	10%	1 249
	PGP	1.09	3.41	2.05	14%	1 100
	PMP	0.83	2.16	1.74	10%	652
	PS	0.94	4.18	3.36	11%	234
	TBB	1.03	1.11	0.68	44%	2 607
	TM	1.00	5.96	5.32	13%	363
NAO	DFN	0.91	2.33	1.61	10%	511
	DRB	0.91	2.13	1.53	12%	227
	DTS	0.90	1.26	0.86	27%	710
	FPO	1.03	3.89	3.04	8%	389
	HOK	0.93	2.16	1.64	13%	532
	MGO	1.11	4.73	2.92	7%	329
	MGP	0.91	2.20	1.75	14%	295
	PG	1.39	1.56	-0.57	14%	124
	PGP	0.95	2.04	1.64	14%	699
	PMP	1.01	2.00	1.43	9%	206
	PS	0.91	2.43	1.89	10%	143
	TBB	0.88	1.10	0.92	34%	1 533
	TM	0.92	1.93	0.88	21%	109
OFR	DFN	0.96	1.82	1.09	12%	469
	DTS	1.05	1.27	1.13	32%	514
	FPO	0.78	1.72	0.68	10%	1 501
	HOK	1.00	1.72	1.49	24%	730
	PGP	0.87	1.93	1.30	12%	1 407
	PS	0.97	1.61	1.07	24%	453
	TM	0.84	1.19	1.00	30%	379
Total		0.93	1.62	1.13	22%	467

MAC Recomendations

Social variables

Some variables not utilised in the report

A process of providing a full overview of the social component of the EU Fisheries social dimension is under development by Mare under the STECF framework.

This include a dedicated social report, with annual EWG (s) dedicated only to the social dimension.

With its own data call process (with the extraordinary support of the JRC).

The AER will not longer analyse the social component beyond calculating indicators such as employment and FTE by segment to support the analysis of the economic drivers:

- Focus on the economic situation of the EU fishing fleet as the core of the AER process.
- Let the social scientist (those that know) provide a picture of the social component.

Timeline and potential time gaps

the timing of the nowcast should be extended

Years t+1 and t+2 (2023 and 2024 or Nowcasting)

For t+1 in many cases, we have reported data. Data gaps are covered by EUMOFA (prices and energy costs) and TACs (not in the Med).

For t+2, we don't have almost anything reported. Fleet register is used to extrapolate changes in capacity from t+1 and TACs (not in the Med). **EUMOFA** is used again for prices and fuel costs (but we are restricted to the 5 first months of the year (at the time the EWG takes place).

All the analysis are made at national segment level and this is how we report. Aggregations are only made at EU, national and type of fishery (SSCF and LSF) levels**.**

Individual segments retained in the dataset.

Years t+3 and onwards?

This will require a forecasting of different drivers (fuel costs, TACs, effort development) without references. It is out of the "core" of the AER in where even the t+2 year is sometimes problematic when markets are so volatile.

Therefore, unfortunately the conclusion after discussing it within the EWG-STECF-JRC-MARE is that the AER cannot forecast beyond t+2 because this is not the core of the AER.

It can be done to allying the economic advice with the biological advice? Yes, but not under the AER.

Vessels below 12 meters not included in the small-scale coastal fleet segment

an additional category

In there were 4223 vessels below 12m under LSF (24%)

Because they used active gears.

Croatia for which the 58% of the vessels under LSF are below 12 metres, France with 40%, Sweden (34%), Spain (29%) and Ireland (26%).

In terms of fishing technologies, dreggers (45%) and Demersal trawlers and/or demersal seiners (25%) account for the majority of them. Of the 4 223 vessels, 78% of them belong to the NAO supra-region while 21% to MBS.

This issue was highlighted by the EWG to the STECF (PLEN 24-02).

“STECF observes that for the AER 2025 and onwards, EWG 24-07 suggested to add a new vessel category for vessels under 12 meters that are using active gears. This vessel group currently encompasses over 4000 vessels classified under the Large-Scale Fleet (LSF). This grouping of vessels creates inconsistencies in the analysis, as it includes vessels that vary significantly in size and operation.”

“STECF concludes that to further improve the reporting by fleet at the EU level, the Small-Scale Coastal fleet using active gears should be included in the EU overview and separated from the Large-Scale Fleet in the future.”

Length classes

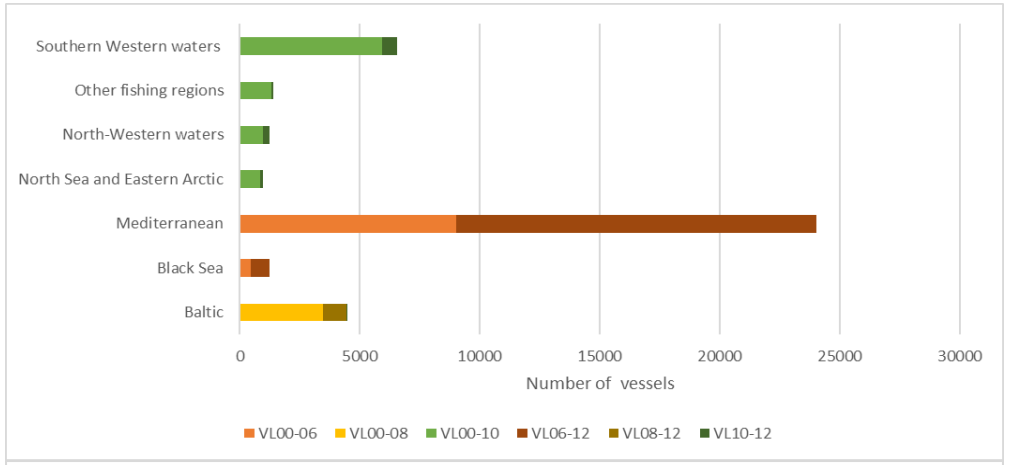
Less aggregated data than the current Small Scale Coastal Fleet/Large Scale Fleet division.

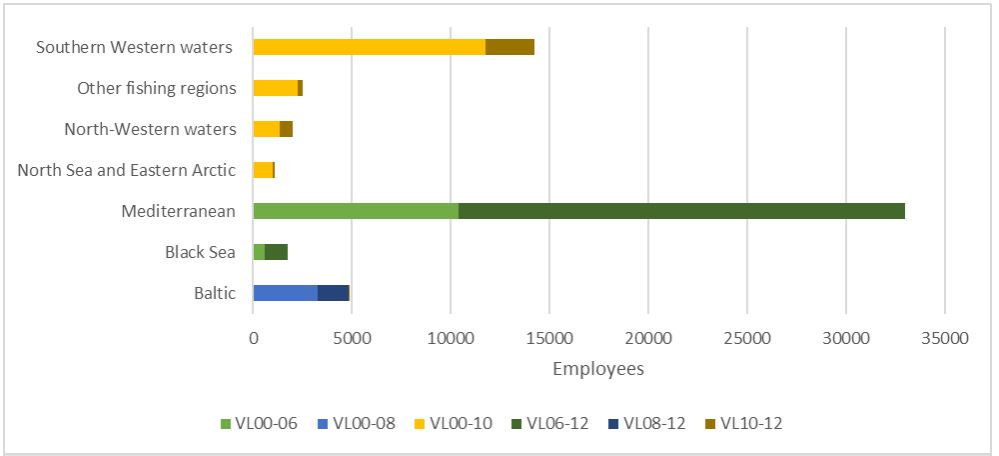
	VL00-06	VL00-08	VL00-10	VL06-12	VL08-12	VL10-12
Number of vessels	9.453	3.466	9.077	15.779	998	1.094
Value of landings	71.574	20.683	363.012	336.889	16.008	182.343
Value of landings per vessel	7.572	5.967	39.991	21.350	16.040	166.702

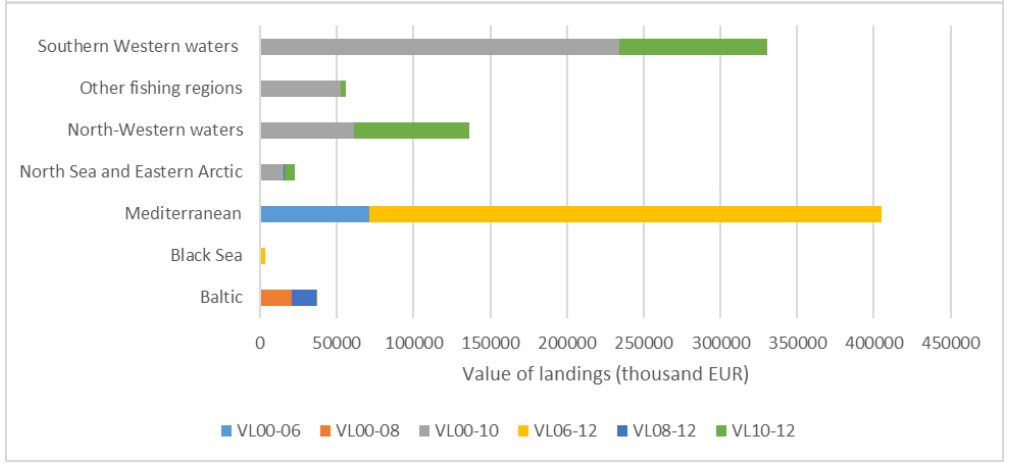
And by region

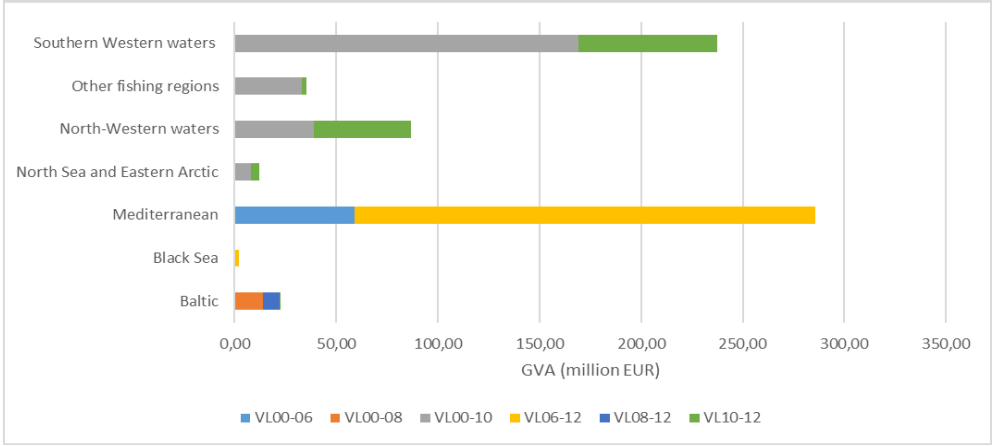
Length classes

Less aggregated data than the current Small Scale Coastal Fleet/Large Scale Fleet division.









Other

Considering the complexity of the national chapters, include shortened tailor-made reports directed at the end-user or alternatively, develop an online platform for tailor-made analyses; (We will discuss it in the EWG how to approach it).

Include a special chapter estimating the impacts of Brexit. (This is a complex issue that cannot be handled in the AER, and with AER data easily.)

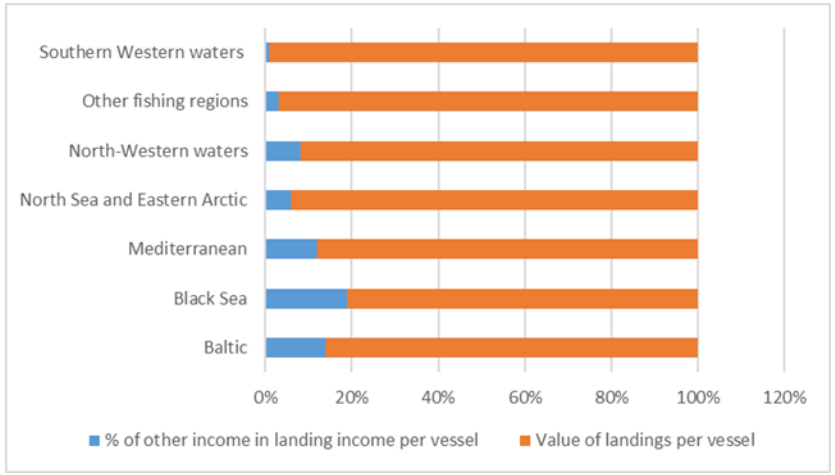
Systematic comparative analysis across the EU on fishing dependency (social)

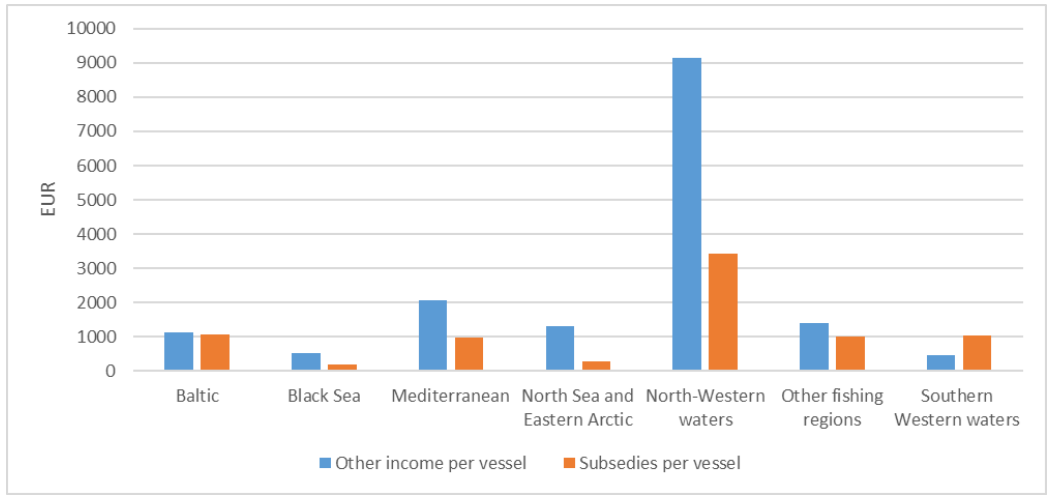
Other Recomendations

Origin of income

Profit of fleets should be disaggregated and distinguish between its origin (from sales or from assets).

The analysis under the SSCF presents results per region of the source of income





Total income = other income + direct income subsidies + income from fishing rights+ income from landings

Take into account all the different commercialisation and marketing channels used when assessing the revenues of each fleet (not cuantitatively)

Own initiatives coming from “old” recommendations or ToRs

Other

- The EU overview and the national chapters focus on the economic performance **of active vessels** (regional analysis only refer to active vessels by definition because the allocation into regions follows the effort and therefore, they are active).

- **Base year**- inflation- (2022) **equal to the reference year** of the AER 2024 (year 2022).

- **Net Profit**. the calculations are now based on a **fixed interest rate** of 3.5% and not on the real interest rates. Two sections in the report:

  - Why? it is better to explain NP with a fixed opportunity cost.
  - Implications to the Balance report. None, because it has its own guidelines.

- **Fuel intensity and efficiency** indicators, by segment, supra región and at MS level

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explanations

Methods

Fleet Segment

Fleet segment: Combination of Member State + Fishing Technology + Length class + Supra-region

Example: French DTS24-40. Demersal trawl and/or seiners of LOA between 24-40m operating in the Atlantic Ocean flying the flag of France.

In some cases, we have geo indicators to allocate vessel to some RFMOS or regions. For example: OMR, ICCAT,...

In some cases, the segments have to be clustered due to confidentiality reasons.

This is our **minimum** level. We receive all the indicators (capacity and economic) of each segment: Capacity, employment, days and costs.

Aggregations

At **EU** level. All segments together

At **region** (Baltic, Med, NS, NWW, SWW, BS) level (only active). When a segment combines vessels fishing in more than one region, allocation is based on fishing days.

At **national** level: All the fleet segments of the MS.

At type of fishery level:

SSCF: Vessels <12m LOA using non active fishing gears. Segmented by length class in AER 2024

LSF: Vessels >12m and all (<>12m) using towing gears and fishing predominately in EU waters.

DWF. Fishing vessels flying the flag of a MS and fishing predominately in non-EU waters.

OMR. Nine territories of France, Portugal and Spain.

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