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Summary of the 2012 Annual Economic Report on the EU Fishing Fleet

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Affairs and Fisheries

Scientific, Technical and Economic
Committee for Fisheries (STECF)

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SCIENTIFIC, TECHNICAL AND ECONOMIC COMMITTEE FOR FISHERIES (STECF)

Summary of the 2012 Annual Economic Report on the EU Fishing Fleet (STECF-12-10)

The Annual Economic Report on the European Fishing Fleet is jointly coordinated by the Maritime Affairs Unit of the Joint Research Centre (action FISHREG) and the Structural Policy and Economic Analysis Unit of Directorate-General for Maritime Affairs and Fisheries. This report was produced by a working group of experts convened under the Scientific, Technical and Economic Committee for Fisheries (STECF) and economic experts of the JRC.

1. Main Findings of the 2012 AER

The latest data from EU Member States suggests that the EU fishing fleet moved from a loss making position to post a profit in 2010. Overall, the EU fleet showed improvements in all the main economic performance indicators analysed when compared to 2009: GVA was calculated at €3.4 billion, an increase of 5.7%; gross profit was €1.2 billion, a 39.5% increase and net profit was €288 million, an increase of over €300 million from 2009 (all excluding subsidies) (fig. 1).

Additionally, GVA, gross profit and net profit as a proportion of total income increased in 2010 compared to 2009. GVA as a proportion of total income increased steadily from 42% in 2008 to 47% in 2009 to 49% in 2010. Gross profit as a proportion of total income increased from 12% in 2008 to 13% in 2009 to 18% in 2010. Net profit as a proportion of total income increased from negative 0.4% in 2009 to 4% in 2010. Despite the uncertain economic climate, economic performance projections for 2011 indicate that profitability improved for around three quarters of the national fleets analysed.

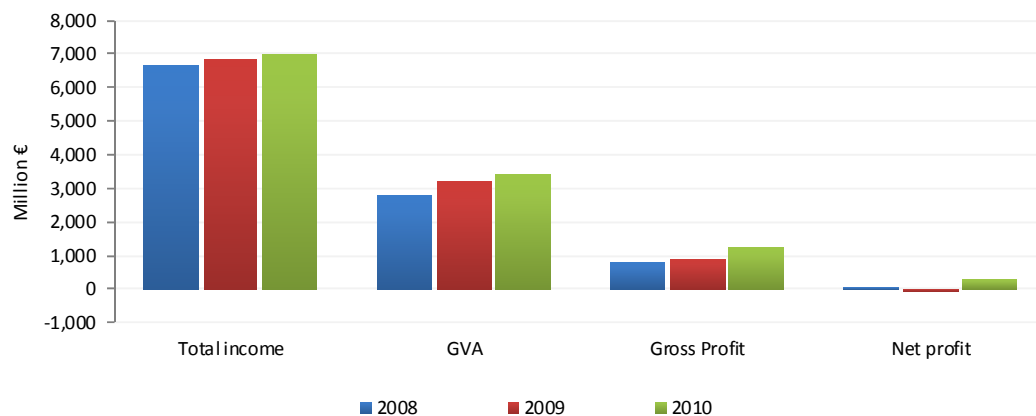


Figure 1.1 EU Member States economic performance indicators in 2010
(Source: EU Member States DCF data submissions)

2. Introduction/Background

The 2012 Annual Economic Report (AER) on the European Union (EU) fishing fleet¹ provides a comprehensive overview of the latest information available on the structure and economic performance of EU Member States fishing fleets. The 2012 AER was produced by two working groups of economic experts (EWG 12-03 and EWG 12-05) convened under the Scientific, Technical and Economic Committee for Fisheries (STECF)².

The purpose of this summary document is to highlight some key results from the 2012 AER³. It is based on the information contained in the 2012 AER and the data used to produce it. For a more in depth assessment of the economic performance of the EU fleet as well as further information on the methodology used, the 2012 AER should be consulted. The 2012 AER along with the accompanying data sets are available at: <http://stecf.jrc.ec.europa.eu/reports>.

3. EU Fishing Fleet Structure

The EU fishing fleet is very diverse, employing a variety of fishing gear types on vessels ranging from less than 6 meters to vessels over 100 meters in length. According to the data held by Eurostat and the EU fleet vessel register, the total number of vessels in the EU fishing fleet in 2010 was 83,796, with a combined gross tonnage (GT) of 1.75 million tonnes and total engine power of 6.5 million kilowatts (kW) (Table 3.1). The overall capacity of the EU fleet has decreased over the years 2005 to 2010 (vessels: -5.3%, GT: -13.0% and kW: -10.5%), despite a slight increase in 2007 due to the inclusion of data for new EU Member States.

According to Eurostat statistics, Greece had the highest number of registered vessels in 2010, accounting for 20% of the EU total. The Italian fleet was the second largest in number, accounting for 16% of the EU total, followed by Spain at 13%. Spain's fishing fleet was the largest in terms of tonnage, representing almost 24% of the EU total, followed by the United Kingdom at 12% and Italy at 10.6%. Italy's fishing fleet was the largest in terms of engine power, contributing 17% of the EU total, followed by France (15%) and then Spain (14%) (Table 3.1).

¹ Scientific, Technical and Economic Committee for Fisheries (STECF) – The 2012 Annual Economic Report on the EU Fishing Fleet (STECF-12-10). (eds. Anderson J., Carvalho N., Contini F. & Virtanen. J.). 2012. Publications Office of the European Union, Luxembourg, EUR 25425 EN, JRC73332, 347 pp.

² The data used to compile all the various analyses contained within the report were collected under the frameworks of the Data Collection Regulation (DCR); cf. Council Regulation (European Commission (EC)) No 1543/2000 of 29 June 2000 and the data collection framework (DCF), cf. Council regulation (European Commission (EC) No 199/2008 of 25th February 2008). The data call requested economic data for the years 2008 to 2012.

³ An overall evaluation of the economic performance of the EU fishing fleet in 2010 was not possible due to outstanding and/or erroneous data submissions. The main data issues encountered in the 2012 AER included, but were not limited to: (1) Greece – no data submitted; and (2) Spain – effort, capacity and landings data not provided. Other major data limitations are referred to in the text for clarity.

Table 3.1 Eurostat capacity data for the EU fishing fleet in 2010

	N		As % of EU Total	GT		As % of EU Total	kW		As % of EU Total
BEL	89	↔	0.1%	15,812	↓	0.9%	51,236	↓	0.8%
BGR	2,340	↑	2.8%	8,014	↑	0.5%	63,378	↑	1.0%
CYP	1,006	↓	1.2%	4,161	↓	0.2%	42,930	↓	0.7%
DEU	1,680	↓	2.0%	67,765	↓	3.9%	159,714	↓	2.4%
DNK	2,826	↓	3.4%	66,353	↓	3.8%	241,962	↓	3.7%
ESP	10,847	↓	12.9%	414,527	↓	23.6%	934,078	↓	14.3%
EST	935	↓	1.1%	14,645	↑	0.8%	40,209	↑	0.6%
FIN	3,365	↑	4.0%	16,549	↑	0.9%	172,233	↑	2.6%
FRA	7,242	↓	8.6%	174,461	↓	9.9%	996,189	↓	15.2%
GBR	6,422	↓	7.7%	207,608	↓	11.8%	824,857	↓	12.6%
GRC	17,168	↓	20.5%	88,288	↓	5.0%	506,358	↓	7.7%
IRL	2,148	↑	2.6%	69,427	↑	4.0%	198,008	↑	3.0%
ITA	13,515	↓	16.1%	186,079	↓	10.6%	1,111,999	↓	17.0%
LTU	171	↓	0.2%	45,961	↓	2.6%	54,391	↓	0.8%
LVA	786	↓	0.9%	40,762	↓	2.3%	61,448	↓	0.9%
MLT	1,093	↓	1.3%	11,992	↓	0.7%	85,532	↓	1.3%
NLD	849	↑	1.0%	147,520	↓	8.4%	343,146	↓	5.2%
POL	793	↓	0.9%	37,269	↓	2.1%	86,851	↓	1.3%
PRT	8,492	↓	10.1%	101,483	↓	5.8%	372,173	↓	5.7%
ROU	475	↑	0.6%	1,221	↓	0.1%	6,577	↓	0.1%
SVN	185	↔	0.2%	1,011	↔	0.1%	10,951	↑	0.2%
SWE	1,369	↓	1.6%	33,020	↓	1.9%	179,032	↓	2.7%
EU Total	83,796	↓		1,753,928	↓		6,543,252	↓	

(Source: Eurostat). Arrows indicate variation in relation to 2009: (↑) increase; (↓) decrease; (↔) stable situation

4. EU Fleet Socio-Economic Structure

According to the DCF data submitted by Member States, the total number of fishers employed in the EU fleet (excluding Greece) in 2010 was 138,500, a 2% increase when compared to 2009 but 17% lower when compared to 2008.

Employment in the EU fishing fleet, measured in full time equivalents (FTEs), totalled 105,700 in 2010. The three countries with the highest employment levels, Spain, Italy and Portugal, accounted for almost 70% of the total EU employment in the sector in 2010. Spain had the highest level of employment at 32% of the EU total, followed by Italy at 21% and Portugal at 16% (Table 4.1).

Data on crew costs and employment levels submitted by Member States show that average wages in the EU fish catching sector oscillated between 2008 and 2010, and appear to fluctuate in line with landings value and fuel costs. According to DCF data, the average wage per FTE in 2010 was €20,425, a 10% decrease compared to 2009 levels. Belgian fishers earned the highest wages on average in 2010 at around €74 thousand per FTE, 73% more than the average EU fisher. At €66 thousand, Danish fishers earned around 3 times more than the average EU fisher and French fishers slightly more than double. On the other hand, the data submitted suggested that Romanian fishers received the lowest wages in the EU, earning on average €486 in 2010, while Bulgarian fishers earned slightly more at €857 (Table 4.1).

Table 4.1 DCF data on employment and average wage by Member State for 2010

	Total employed		As % of EU Total	FTE		As % of EU Total	Average crew wage (€)	Difference to EU average (€)
BEL	400	↓	0.3%	352	↑	0.3%	73,710	↑ 53,285
BGR	3933	↑	2.8%	2889	↑	2.7%	857	↓ -19,568
CYP	1421	↑	1.0%	910.9	↓	0.9%	1,701	↑ -18,724
DEU	1639	↑	1.2%	1276	↑	1.2%	34,084	↓ 13,659
DNK	1531	↓	1.1%	1807	↓	1.7%	66,237	↑ 45,812
ESP	39281	↑	28.4%	33678	↓	31.9%	18,764	↓ -1,661
EST	1948	↑	1.4%	521	↑	0.5%	8,816	n/a -11,609
FIN	1703	↑	1.2%	313	↑	0.3%	31,191	↓ 10,766
FRA	10872	↓	7.8%	8410	↑	8.0%	45,914	↓ 25,490
GBR	11494	↓	8.3%	6918	↓	6.5%	31,581	↑ 11,156
IRL	4805	↑	3.5%	3119	↑	3.0%	32,242	↓ 11,817
ITA	28982	↑	20.9%	22002	↓	20.8%	14,428	↓ -5,997
LTU	720	↑	0.5%	520	↓	0.5%	8,610	↓ -11,815
LVA	1619	↓	1.2%	521	↓	0.5%	6,239	↑ -14,186
MLT	361	↑	0.3%	409	↑	0.4%	24,681	↓ 4,256
NLD	6039	↑	4.4%	2205	↓	2.1%	42,119	↑ 21,694
POL	2124	↓	1.5%	1268	↓	1.2%	8,981	↑ -11,444
PRT	17323	↓	12.5%	17080	↑	16.2%	8,475	↑ -11,950
ROU	444	↑	0.3%	403	↑	0.4%	486	↓ -19,939
SVN	116	↓	0.1%	82	↓	0.1%	15,860	↑ -4,565
SWE	1765	↑	1.3%	990	↓	0.9%	28,262	↑ 7,837
EU Total	138520	↑		105675	↑		20425	↓

(Source: EU Member States DCF data submissions). Arrows indicate variation in relation to 2009: (↑) increase; (↓) decrease; (↔) stable situation

5. EU Fishing Activity and Output

The EU fishing fleet spent just under 3.85 million days at sea in 2010, 95% of which were actual fishing days (excludes data for Spain, Greece and Estonia). Italy, France, the UK and Portuguese fleets together accounted for 70% the registered days at sea. The Italian fleet alone accounted for 45% of the days and also produced the most effort in terms of GT and kW per fishing day (19% and 31% of the EU totals, respectively)⁴. Total fuel consumption by the EU fleet was just under 2.5 billion litres in 2010, a 6% decrease compared to 2009 (Greece excluded due to missing data). The Spanish fleet consumed the most fuel, with 29% of total consumption, followed by the Italian fleet (16%) and the French fleet (15%) (Table 5.1).

According to Eurostat data, a total of 4.4 million tonnes of seafood was landed by the EU fleet in 2010, amounting to €6 billion in value. Following a peak in volume and value terms in 2007 and then subsequent decreases in 2008 and 2009, there was a slight increase in both the volume and value landed between 2009 and 2010 of 2% and 1.2%, respectively

According to DCF data, the North Atlantic and the North Sea fishing regions accounted for the majority of the landings, each contributing to 36% and 29% of the total volume landed in 2010, respectively. The leading EU fishing countries were Denmark, Spain, the United Kingdom and France, which together accounted for over half the landings volume in 2010. The Danish fleet landed the most, totalling 24% of the total landed volume, followed by the Spanish fleet at 17% and then the UK fleet at 11% (Table 5.2).

⁴ Cyprus, Greece, Spain and France excluded due to missing or inconsistent data

Table 5.1 DCF Effort and fuel consumption data by Member State for 2010

	Days at Sea (thousand)	As % of EU Total	Fishing Days (thousand)	As % of EU Total	GT/fishing days (thousand)	As % of EU Total	kW/fishing days (thousand)	As % of EU Total	Energy consumption (1000 litres)	As % of EU Total
BEL	18 ↑	0.5%	11 ↓	0.3%	2,368 ↓	1.8%	7,424 ↓	1.5%	46,425 ↓	1.9%
BGR	16 ↑	0.4%	16 ↑	0.4%	11,213 ↑	8.6%	92,867 ↑	19.1%	1,574 ↑	0.1%
CYP	76 ↓	2.0%	76 ↓	2.1%	5,431 ↓	4.2%	13,555 ↓	2.8%	46,452 ↓	1.9%
DEU	115 ↓	3.0%	113 ↓	3.1%	8,129 ↑	6.3%	24,756 ↑	5.1%	94,632 ↑	3.9%
DNK	114 ↓	3.0%	113 ↓	3.1%	541 ↓	0.42%	1,359 ↓	0.3%	719,203 ↓	29.4%
ESP					1,179 ↑	0.9%	9,613 ↑	2.0%	4,323 ↓	0.2%
EST									9,070 ↑	0.4%
FIN	149 ↑	3.9%	150 ↑	4.1%	23,379 ↓	18.0%	77,110 ↓	15.9%	357,631 ↓	14.6%
FRA	507 ↑	13.2%	464 ↑	12.7%	5,129 ↑	3.9%	12,760 ↑	2.6%	285,265 ↓	11.7%
GBR	418 ↓	10.9%	334 ↓	9.2%	7,141 ↓	5.5%	12,617 ↓	2.6%	79,708 ↓	3.3%
IRL	53 ↑	1.4%	44 ↑	1.2%	25,478 ↓	19.6%	151,381 ↓	31.2%	402,716 ↓	16.5%
ITA	1,668 ↓	43.3%	1,646 ↓	45.2%	6,102 ↓	4.7%	6,262 ↓	1.3%	63,279 ↓	2.6%
LTU	11 ↓	0.3%	7 ↓	0.2%	756 ↑	0.6%	1,971 ↓	0.4%	6,530 ↓	0.3%
LVA	44 ↓	1.1%	36 ↓	1.0%	116 ↑	0.09%	379 ↑	0.08%	5,325 ↑	0.2%
MLT	65 ↑	1.7%	65 ↑	1.8%	22,090 ↑	17.0%	40,829 ↑	8.4%	146,089 ↓	6.0%
NLD	51 ↑	1.3%	45 ↑	1.2%	5,217 ↓	4.0%	7,317 ↓	1.5%	12,437 ↓	0.5%
POL	62 ↓	1.6%	55 ↓	1.5%	7,141 ↓	5.5%	12,617 ↓	2.6%	127,774 ↑	5.2%
PRT	384 ↓	10.0%	373 ↓	10.2%	590 ↑	0.45%	4,652 ↑	1.0%	205 ↓	0.01%
ROU	7 ↑	0.2%	4 ↑	0.1%	76 ↑	0.06%	455 ↑	0.09%	608 ↑	0.02%
SVN	8 ↑	0.2%	8 ↑	0.2%	5,049 ↓	3.9%	20,421 ↓	4.2%	33,995 ↑	1.4%
SWE	85 ↓	2.2%	85 ↓	2.3%						
EU Total	3,850 ↑		3,645 ↑		129,982 ↑		485,728 ↑		2,446,461 ↓	

(Source: EU Member States DCF data submissions). Arrows indicate variation in relation to 2009: (↑) increase; (↓) decrease; (↔) stable/no change

Table 5.2 DCF landings in value (€ million) by Member State: 2008-2010

	2008	As % of EU	2009	As % of EU	2010	As % of EU
BEL	76.3	1.6%	68.0	1.5%	76.2	1.6%
BGR	3.0	0.1%	2.7	0.1%	2.2	0.05%
CYP	13.2	0.3%	9.1	0.2%	10.2	0.2%
DEU	163.6	3.5%	128.4	2.9%	141.1	3.0%
DNK	334.1	7.2%	283.7	6.4%	378.3	8.1%
EST	15.6	0.3%	14.4	0.3%	13.1	0.3%
FIN	23.1	0.5%	23.8	0.5%	26.6	0.6%
FRA	903.8	19.5%	876.4	19.8%	924.3	19.8%
GBR	792.2	17.1%	754.4	17.0%	832.1	17.9%
IRL	196.5	4.2%	185.9	4.2%	202.1	4.3%
ITA	1105.6	23.9%	1202.0	27.1%	1114.9	23.9%
LTU	84.3	1.8%	85.3	1.9%	60.0	1.3%
LVA	23.1	0.5%	17.5	0.4%	21.0	0.5%
MLT	8.2	0.2%	8.6	0.2%	8.8	0.2%
NLD	365.7	7.9%	319.3	7.2%	354.6	7.6%
POL	34.8	0.7%	37.3	0.8%	40.0	0.9%
PRT	369.1	8.0%	309.1	7.0%	347.5	7.5%
ROU	0.7	0.02%	0.6	0.01%	0.5	0.01%
SVN	2.1	0.04%	2.2	0.05%	2.0	0.04%
SWE	119.9	2.6%	106.2	2.4%	103.3	2.2%
EU Total	4634.8		4434.7		4658.8	

(Source: EU Member States DCF data submissions)

In terms of landings value, the North Atlantic also ranked first in 2010 at 32%, followed by the North Sea at 31% and the Mediterranean and Black Sea at 25%. These three fishing regions generated almost 90% of the total landed value in 2010. The three largest producers in terms of value were Spain, Italy and the United Kingdom, together accounting for 62% of the landings value in 2010. Spain generated the highest value for their landings (31% of the EU total), followed by Italy (19%) and then the UK (12%) (Table 5.3).

Table 5.3 DCF Landings in volume (thousand tonnes) by Member State: 2008-2010

	2008	As % of EU	2009	As % of EU	2010	As % of EU
BEL	20.0	0.5%	19.0	0.5%	19.7	0.5%
BGR	7.5	0.2%	7.1	0.2%	9.2	0.2%
CYP	2.0	0.1%	1.4	0.0%	1.4	0.0%
DEU	117.0	3.2%	117.7	3.1%	92.2	2.4%
DNK	687.1	18.9%	758.0	19.9%	782.4	20.4%
EST	83.5	2.3%	83.5	2.2%	81.3	2.1%
FIN	111.6	3.1%	117.5	3.1%	122.1	3.2%
FRA	433.9	11.9%	431.4	11.3%	447.4	11.7%
GBR	575.0	15.8%	576.6	15.1%	601.3	15.7%
IRL	198.0	5.4%	262.6	6.9%	314.2	8.2%
ITA	227.0	6.2%	242.4	6.4%	224.8	5.9%
LTU	176.1	4.8%	207.2	5.4%	107.5	2.8%
LVA	86.5	2.4%	78.5	2.1%	74.0	1.9%
MLT	1.3	0.0%	1.6	0.0%	1.8	0.0%
NLD	388.5	10.7%	335.3	8.8%	381.6	10.0%
POL	126.2	3.5%	212.1	5.6%	170.8	4.5%
PRT	186.1	5.1%	161.9	4.2%	189.3	4.9%
ROU	0.4	0.01%	0.3	0.01%	0.2	0.01%
SVN	0.7	0.02%	0.9	0.02%	0.8	0.02%
SWE	214.1	5.9%	199.4	5.2%	204.5	5.3%
EU Total	3642.3		3814.2		3826.7	

(Source: EU Member States DCF data submissions)

According to DCF data on landings by species (Greece and Spain excluded), herring was the most landed species in terms of volume in 2010, having narrowly overtaken sprat. In terms of landed value, Norway lobster ranked first, closely followed by common sole and Atlantic mackerel. This trend has maintained over the period analysed apart from common sole overtaking Norway lobster in 2009. Atlantic cod, Atlantic herring and European hake have also maintained their positions in the top five species in terms of total landed value during the period 2008-2010.

Landings value and average first-sale prices increased in 2010 compared to 2009 for the majority of the species analysed. The average price of seafood landings in the EU increased by 6,3% in 2010 when compared to 2009. The Mediterranean and Black Sea region obtained the highest average price at 4,80 €/kg, with Cyprus attaining the top average price at 7,6 €/kg. Average first-sale prices for the other fishing regions in 2010 were ranked as follows: North Atlantic 1,41 €/kg; North Sea 1,10 €/kg; Other regions 0,82 €/kg and Baltic Sea 0,34 €/kg. The data also suggests that passive fishing gears obtain higher average prices than mobile gears and that prices decrease as vessel length class increases.

6. EU Fleet Economic Performance Indicators

Income and Expenditure

According to DCF data, the EU fishing fleet (excluding Greece) generated a total income of €7 billion in 2010 while total expenditure amounted to €6.5 billion, equating to around 93% of total income.

Total income of the EU fleet increased 2.6% between 2009 and 2010 and consisted of: €6.6 billion in fish sales, €34 million in fishing rights income, €193 million in non-fishing income⁵, and €126 million in direct income subsidies (Table 6.1).

⁵ Non fishing income includes all income generated from activities other than fishing

Table 6.1 EU fleet income by Member State for 2010, (million €)

	Income from landings	As % of EU Total	Other income	As % of EU Total	Income from fishing rights	As % of EU Total	Direct income subsidies	As % of EU Total	Total Income	As % of EU Total
BEL	76.3 ↑	1.2%	3.6 ↓	1.9%			1.5 ↑	1.2%	81.4 ↑	1.2%
BGR	2.2 ↓	0.03%	1.7 ↑	0.9%			0.8 ↑	0.7%	4.6 ↑	0.1%
CYP	10.2 ↑	0.2%					2.0 ↑	1.6%	12.2 ↑	0.2%
DEU	139.8 ↑	2.1%	4.6 ↑	2.4%			1.3 ↑	1.0%	145.7 ↑	2.1%
DNK	387.2 ↑	5.8%	17.4 ↑	9.0%			0.1 ↑	0.1%	404.7 ↑	5.8%
ESP	1757.5 ↓		15.8 ↑	8.2%	0.6 ↑	1.61%	32.6 ↓	25.8%	1806.4 ↓	25.9%
EST	12.9 ↓		0.1 ↑	0.1%	0.01 ↑	0.02%	2.0 ↓	1.6%	15.1 ↓	0.2%
FIN	27.1 ↓	0.4%	3.1 ↓	1.6%			1.5 ↓	1.2%	31.6 ↓	0.5%
FRA	1011.4 ↑	15.3%	26.0 ↑	13.5%			5.9 ↓	4.7%	1043.3 ↑	14.9%
GBR	841.3 ↑	12.7%	47.1 ↑	24.5%	17.5 ↑	51.2%	37.7 ↑	29.9%	943.8 ↑	13.5%
IRL	298.1 ↑	4.5%	9.5 ↓	4.9%			1.0 ↓	0.8%	308.5 ↑	4.4%
ITA	1114.9 ↓	16.8%		0.0%			22.2 ↑	17.6%	1137.0 ↓	16.3%
LTU	39.4 ↓	0.6%	3.1 ↓	1.6%			0.1 ↑	0.1%	42.6 ↓	0.6%
LVA	21.0 ↑	0.3%	0.8 ↓	0.4%			0.03 ↓	0.03%	21.9 ↓	0.3%
MLT	9.2 ↑	0.1%			0.03 ↑	0.07%	0.6 ↑	0.46%	9.8 ↑	0.1%
NLD	354.6 ↑	5.4%	0.2 ↓	0.1%	3.7 ↑	10.7%	0 ↔	0%	358.5 ↑	5.1%
POL	40.0 ↑	0.6%	0.2 ↑	0.1%			14.8 ↓	11.8%	55.0 ↓	0.8%
PRT	377.3 ↑	5.7%	21.4 ↑	11.1%			2.0 ↓	1.6%	400.7 ↑	5.7%
ROU	0.5 ↓	0.01%					0 ↔	0%	0.5 ↓	0.01%
SVN	2.0 ↓	0.03%	0.4 ↑	0.2%			0 ↔	0%	2.4 ↑	0.03%
SWE	104.6 ↓	1.6%	37.7 ↑	19.6%	12.5 ↑	36.4%	0 ↔	0%	154.8 ↑	2.2%
EU Total	6,627 ↑		192.7 ↑		34.3 ↑		126.1 ↓		6,980 ↑	

(Source: EU Member States DCF data submissions). Arrows indicate variation in relation to 2009: (↑) increase; (↓) decrease; (↔) stable/no change

Table 6.2 EU fleet cost structure by Member State for 2010, (million €)

	Crew wage	Unpaid labour	Energy costs	Variable costs	Repair costs	Fixed costs	Rights costs	Depreciation costs	Total Costs	As % of Income
BEL	23.7 ↑	2.2 ↓	21.7 ↑	9.9 ↓	4.9 ↑	7.1 ↓	0	8.7 ↑	78.2 ↑	96%
BGR	2.0 ↑	0.5 ↑	1.8 ↑	2.0 ↑	1.0 ↑	0.8 ↑	0	0.7 ↑	8.7 ↑	188%
CYP	0.7 ↓	0.8 ↑	2.9 ↑	10.6 ↑	1.9 ↑	0.4 ↓	0	3.9 ↓	21.2 ↓	174%
DEU	34.0 ↓	9.5 ↑	23.3 ↑	11.1 ↓	19.1 ↓	14.7 ↓	0	12.0 ↓	123.7 ↓	85%
DNK	79.0 ↑	40.6 ↑	45.1 ↑	32.0 ↑	39.1 ↑	21.4 ↑	11.54 ↑	85.5 ↑	354.2 ↑	88%
ESP	522.1 ↓	109.9 ↓	355.7 ↑	408.9 ↑	133.1 ↓	123.0 ↓	8.16 ↑	132.5 ↓	1793.2 ↓	99%
EST	4.6 ↓	0.04 ↑	2.4 ↑	1.4 ↓	1.4 ↑	0.5 ↓	0.02 ↓	1.7 ↑	12.0 ↓	80%
FIN	3.2 ↓	6.6 ↑	7.6 ↑	2.2 ↑	4.0 ↓	4.1 ↓	0.30 ↑	3.6 ↑	31.6 ↑	100%
FRA	386.2 ↓	0	179.7 ↑	127.4 ↓	80.5 ↓	147.1 ↓	0	61.1 ↑	981.9 ↑	94%
GBR	202.5 ↑	16.0 ↑	151.5 ↓	71.0 ↓	117.1 ↑	130.2 ↑	25.94 ↑	77.8 ↑	792.0 ↑	84%
IRL	97.8 ↓	2.8 ↑	42.6 ↓	23.2 ↓	26.4 ↓	36.3 ↑	0	48.4 ↑	277.4 ↓	90%
ITA	265.0 ↓	52.5 ↓	238.5 ↑	135.3 ↓	46.3 ↓	41.9 ↓	0.33 ↓	198.4 ↑	978.1 ↓	86%
LTU	4.4 ↓	0.04 ↑	13.0 ↑	15.1 ↓	5.8 ↓	3.9 ↓	0	2.1 ↑	44.5 ↓	104%
LVA	3.2 ↓	0.04 ↓	3.4 ↓	2.5 ↑	0.8 ↓	3.6 ↑	0.16 ↓	1.3 ↑	15.1 ↑	69%
MLT	2.4 ↑	7.6 ↓	3.6 ↑	2.8 ↑	1.0 ↑	0.5 ↑	0.10 ↑	12.3 ↑	30.3 ↑	310%
NLD	83.8 ↑	9.1 ↑	97.3 ↑	31.1 ↑	49.8 ↓	40.1 ↑	5.38 ↓	37.4 ↑	353.9 ↑	99%
POL	11.4 ↑	0	7.8 ↑	3.7 ↑	3.6 ↑	3.3 ↓	0	1.7 ↑	31.5 ↑	57%
PRT	139.4 ↑	5.3 ↑	70.2 ↑	44.9 ↑	16.7 ↓	26.0 ↑	0	67.7 ↑	370.2 ↑	92%
ROU	0.2 ↓	0	0.2 ↑	0.01 ↓	0.02 ↓	0	0	0.01 ↑	0.5 ↑	93%
SVN	1.1 ↑	0.2 ↑	0.7 ↑	0.3 ↑	1.0 ↑	0.03 ↑	0	0.2 ↑	3.5 ↑	143%
SWE	13.7 ↑	14.3 ↓	28.2 ↑	8.7 ↑	23.0 ↓	9.8 ↑	12.46 ↑	42.4 ↑	152.5 ↑	99%
EU Total	1,880 ↓	278 ↓	1,297 ↑	944 ↑	577 ↓	614 ↓	64 ↑	799 ↑	6,454 ↓	92%

(Source: EU Member States DCF data submissions). Arrows indicate variation in relation to 2009: (↑) increase; (↓) decrease; (↔) stable/no change

The largest expenditure item was crew wages, totalling €1.9 billion in 2010. Member States also estimated a further €278 million in unpaid labour. Fuel cost was the second most important cost item at €1.3 billion, almost 19% of total income (Table 6.2). Other operating costs amounted to 2.2 billion (€576 million in repair and maintenance costs, €943 million in other variable costs, €614 million in fixed costs and €64 million in fishing rights leasing costs). Additionally, capital costs were evaluated at €934 million: €793 million in depreciation costs and €141 million in calculated opportunity costs (interest).

As fuel prices eased in 2009, expenditure on crew wages and repairs consequently increased (15% and 12%, respectively), while total fuel costs fell significantly (-23%), both in absolute terms and in relation to total income. Data for 2010 suggests a reverse in this trend, with a 7% reduction in the amount spent on crew wages and an 11% increase in fuel costs compared to 2009, largely due to the steady increase in fuel prices during 2010.

Economic Performance Indicators

The EU fleet moved from a loss making position to post a profit in 2010. The profitability indicators calculated - Gross Value Added (GVA), gross profit and net profit (all excluding subsidies) generated by the EU fishing fleet (excluding Greece) in 2010 showed improvements from 2009 results (Table 6.3).

Table 6.3 Economic performance indicators for the EU fishing fleet 2010

	Fleet Income	As % of EU Total	GVA	As % of EU Total	Gross profit	As % of EU Total	Net profit	As % of EU Total	Net profit including subsidies	As % of EU Total
BEL	81.4 ↑	1.2%	36.3 ↑	1.1%	10.3 ↑	0.8%	0.9 ↑	0.3%	2.4 ↑	0.6%
BGR	4.6 ↑	0.1%	-1.7 ↓	-0.1%	-4.2 ↓	-0.3%	-5.4 ↓	-1.9%	-4.6 ↓	-1.1%
CYP	12.2 ↑	0.2%	-5.6 ↑	-0.2%	-7.1 ↑	-0.6%	-19.5 ↑	-6.8%	-17.5 ↑	-4.2%
DEU	145.7 ↑	2.1%	76.2 ↑	2.2%	32.7 ↑	2.7%	18.9 ↑	6.6%	20.2 ↑	4.9%
DNK	404.7 ↑	5.8%	267.0 ↑	7.9%	147.4 ↑	12.0%	58.8 ↑	20.4%	58.8 ↑	14.2%
ESP	1806.4 ↓	25.9%	752.6 ↑	22.2%	120.7 ↑	9.8%	-11.8 ↑	-4.1%	20.8 ↑	5.0%
EST	15.1 ↓	0.2%	7.3 ↓	0.2%	2.7 ↓	0.2%	0.4 ↓	0.2%	2.5 ↓	0.6%
FIN	31.6 ↓	0.5%	12.2 ↓	0.4%	2.5 ↓	0.2%	-2.0 ↓	-0.7%	-0.6 ↓	-0.1%
FRA	1043.3 ↑	14.9%	502.7 ↑	14.8%	116.5 ↑	9.5%	38.9 ↓	13.5%	44.8 ↓	10.8%
GBR	943.8 ↑	13.5%	418.7 ↑	12.4%	200.2 ↑	16.3%	122.1 ↑	42.4%	159.9 ↑	38.6%
IRL	308.5 ↑	4.4%	179.1 ↑	5.3%	78.5 ↑	6.4%	-18.0 ↑	-6.3%	-17.0 ↑	-4.1%
ITA	1137.0 ↓	16.3%	652.9 ↓	19.3%	335.5 ↓	27.3%	113.6 ↓	39.4%	135.8 ↓	32.8%
LTU	42.6 ↓	0.6%	4.7 ↓	0.1%	0.2 ↓	0.02%	-4.0 ↓	-1.4%	-3.9 ↓	-0.9%
LVA	21.9 ↓	0.3%	11.5 ↑	0.3%	8.2 ↑	0.7%	1.6 ↓	0.54%	1.6 ↓	0.4%
MLT	9.8 ↑	0.1%	1.3 ↓	0.04%	-8.8 ↓	-0.7%	-22.3 ↓	-7.74%	-21.7 ↓	-5.2%
NLD	358.5 ↑	5.1%	136.6 ↑	4.0%	43.7 ↑	3.6%	-0.8 ↑	0%	-0.8 ↑	-0.2%
POL	55.0 ↓	0.8%	21.8 ↑	0.6%	10.4 ↓	0.8%	5.7 ↓	2.0%	20.6 ↓	5.0%
PRT	400.7 ↑	5.7%	240.9 ↑	7.1%	96.1 ↓	7.8%	13.2 ↓	4.6%	15.3 ↓	3.7%
ROU	0.5 ↓	0.01%	0.2 ↓	0.01%	0.05 ↓	0.0%	0.03 ↓	0.01%	0.03 ↓	0.01%
SVN	2.4 ↑	0.03%	0.5 ↓	0.01%	-0.8 ↓	-0.1%	-1.1 ↓	-0.4%	-1.1 ↓	-0.3%
SWE	154.8 ↑	2.2%	72.7 ↑	2.1%	44.7 ↑	3.6%	-0.9 ↑	-0.3%	-0.9 ↑	-0.2%
EU Total	6,980 ↑		3,388 ↑		1,229 ↑		288.3 ↑		414.5 ↑	

(Source: EU Member States DCF data submissions). Arrows indicate variation in relation to 2009: (↑) increase; (↓) decrease; (↔) stable/no change

The total amount of GVA generated by the EU fishing fleet (excluding Greece) in 2010 was €3.4 billion (a 5.7% increase from 2009). As a proportion of total income, GVA has increased steadily from 42% in 2008 to 49% in 2010.

Gross profit, calculated as revenue (excluding subsidies and income from fishing rights) minus operating costs, generated by the EU fleet in 2010 was €1.2 billion (a 39.5% increase from 2009). Gross profit as a proportion of total income increased from 12% in 2008 to 18% in 2010.

Net profit, calculated as revenue (excluding subsidies and income from fishing rights) minus operating costs and capital costs, generated by the EU fleet in 2010 was €288 million, an increase of over €300 million from 2009. Net profit as a proportion of total income increased from negative 0.4% in 2009 to 4% in 2010.

The profitability estimates presented above do not include direct income subsidies in the calculation of profit. When direct income subsidies are included in the profit equation, the net profit position increases, from €288 million to €414 million. Additionally, the EU fleet moved from an overall loss making position to a profitable position in 2009, from €-23 million to €151 million.

Analysis of economic performance by Member State revealed a mixed picture. The data suggest that 11 out of 21 Member States generated a net profit in 2010, compared to 12 in 2009, and that four Member States produced a negative gross profit in 2010, compared to five in 2009.

In 2010, the Spanish fleet generated the highest GVA in absolute terms (22% of the EU total), followed by the Italian fleet (19% of the EU total) and the French fleet (15% of the EU total). In relative terms, the Danish fleet generated the highest level of GVA in relation to total income (66%), followed by the Portuguese fleet (60%) and the Irish fleet (58%) (Table 6.3, fig. 6.1).

The Italian fleet generated the highest gross profit in absolute terms in 2010 (27% of the EU total), followed by the UK fleet (16% of the EU total) and the Danish fleet (12% of the EU total). In relative terms, the Latvian fleet generated the highest level of gross profit in relation to total income (38%), followed by the Danish fleet (36%) and the Italian fleet (30%).

The UK fleet generated the highest net profit in absolute terms in 2010 (42% of the EU total), followed by the Italian fleet (39% of the EU total) and the Danish fleet (20% of the EU total). In relative terms, the Danish fleet generated the highest level of net profit in relation to total income (15%), followed by the German fleet (13%) and the Polish fleet (10%).

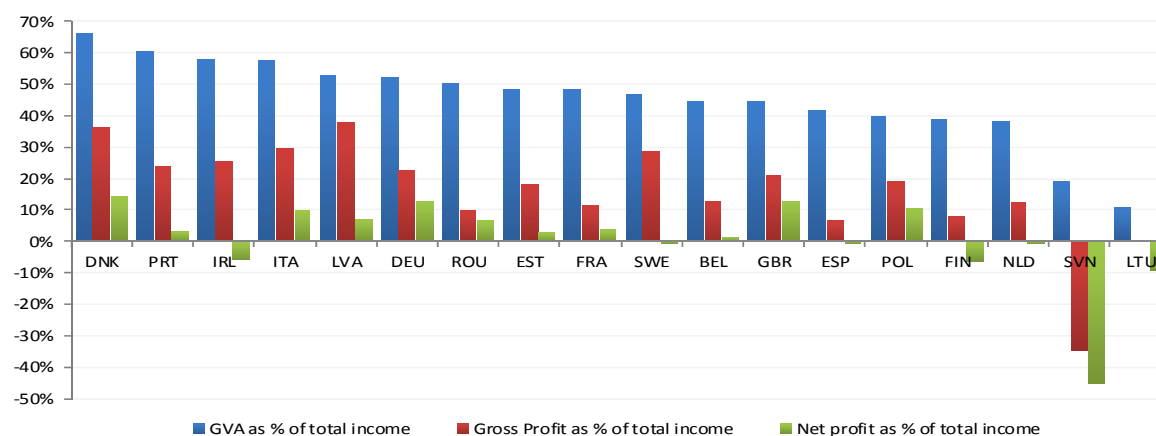


Figure 6.1 EU Member States performance indicators as a percentage of total income in 2010
(Source: EU Member States DCF data submissions)

Results for Bulgaria and Cyprus are questionable: according to their data submissions, Bulgaria and Cyprus generated negative value added. Further work is required to analyse these results, expertise from these countries was lacking during the report production process.

When comparing the economic performance of the mobile and passive gear segments, the data suggest that the passive gear segments were generally more profitable than the mobile gear segments for all the years analysed. GVA, gross profit and net profit as a proportion of total income were consistently higher for the passive gears over the time period. GVA as a proportion of income varied between 52-57% for the passive gears compared to 39-46% for the mobile gears. Gross profit fluctuated between 17-22% for passive gears, while mobile gears fluctuated between 11-19%. The passive gears made net profits between 2008-2010, while the mobile gears made net losses in 2008 and 2009. Note that these calculations at segment level do not include all EU fleet segments due to missing or incomplete data sets. The segments included in this analysis accounted for 93% of the EU fleet income in 2010.

The data also suggest that 36% of mobile gear fleet segments made losses in 2010, i.e. vessels in these segments on average made insufficient returns on capital invested. The corresponding figure for 2008 was 47%. In addition, 14% of mobile gear fleet segments generated negative gross profits on average in 2010, i.e. vessels in these segments on average did not generate enough income to cover operating costs. The corresponding figure for 2008 was 17%. In comparison, 39% of passive gear fleet segments made losses on average in 2010, compared to 41% in 2008, while 26% of passive gear segments generated negative gross profits in 2010, compared to 24% in 2008.

Economic Performance Assessment for 2011 and 2012

The 2012 call for fleet economic data requested transversal data (effort, landings and capacity) from Member States for 2011 which was used to forecast fleet economic performance indicators for 2011. Only 13 out of 22 Member States submitted the data required to carry out the projections. Forecast figures for 2011 suggest that total fleet income increased in 10 out of the 13 Member States. The forecasts also suggest that in 2011, GVA as a proportion of total income increased in 7 out of 12 Member States⁶, while gross and net profits as a proportion of total income increased in 8 out of 13 Member States (Table 6.4). Therefore, improved economic performance is expected in 2011 for around three quarters of the national fleets analysed.

Table 6.4 Economic performance forecast indicators (Million €) for 2011

	Total Income		Gross value added (GVA)		Gross profit		Net profit (excl. subsidies)	
BEL	83.8	↑	36.3	↔	8.5	↓	-0.1	↓
BGR	4.0	↓	-2.2	↓	-4.4	↓	-4.8	↓
DEU	154.8	↑	85.8	↑	35.9	↑	22.8	↑
FIN	33.1	↑	12.0	↓	0.7	↓	-2.3	↓
GBR	1032.3	↑	606.2	↑	356.2	↑	283.3	↑
LTU	72.5	↑	34.5	↑	29.8	↑	27.8	↑
LVA	24.2	↑	12.7	↑	9.2	↑	7.8	↑
MLT	11.9	↑	6.1	↑	-7.3	↑	-15.2	↑
NLD	299.7	↓	82.3	↓	2.7	↓	-30.9	↓
POL	65.0	↑	27.2	↑	14.9	↑	13.4	↑
PRT	374.1	↓	233.3	↓	85.5	↓	19.4	↓
ROU	1.4	↑	1.3	↑	0.7	↑	0.7	↑
SWE	150.0	↓	70.1	↓	40.7	↓	2.5	↑
EU Total	2306.8	↑	1205.4	↑	573.2	↑	324.4	↑

(Source: EU Member States DCF data submissions). Arrows indicate variation in relation to 2009: (↑) increase; (↓) decrease; (↔) stable/no change

⁶ Bulgaria was excluded from this analysis

The main issues affecting the economic performance of each EU Member States national fleet in 2010 and 2011, and projections for 2012, are summarised below:

Denmark

Based on landings value for 2011, the Danish fleet registered an increase in landings value compared to 2010. Higher prices for some of the most important species such as cod, mackerel, herring, sprat and Norway lobster in most cases outweighed the decrease in total landings volume. Combined with a continued restructuring of the fleet, this is expected to result in a better economic performance in 2011. However, looking forward to 2012, the performance of the Danish fleet does not look very positive and a contraction is expected compared to 2011. A very low TAC for sandeel will have a major impact on the economic performance of many vessels. Furthermore, the uncertain situation with the mackerel stock in the North Atlantic, and the on-going discussions with Iceland and the Faeroese Islands could also impact on the performance of the demersal trawl/seine above 40m. Negative developments are also expected in the price for most of the species landed by the Danish fleet.

Estonia

Due to the continuous decrease of quotas for the internationally TAC-regulated species (European sprat and Atlantic herring), a decline in total catches is expected in 2011 and 2012. However, increases in average prices are estimated to have resulted in a 5% income increase in 2011, from €13.1 million in 2010 to €13.8 million. The number of trawlers in the Estonian national fleet will continue to decrease in 2012. However, the number of small coastal vessels is likely to increase. The increase in fuel price will be an important factor influencing fleet economic performance during the near future.

Finland

Increases in average prices and other income are estimated to have resulted in a 4.7% increase in total income for the Finish fleet, from €31.6 million in 2010 to €33.1 million in 2011. On the other hand, total operating costs are expected to have increased by 14% in 2011, mainly due to the increase in fuel and labour costs. Hence, GVA, gross profit and net profit are expected to decrease in 2011. Although the average first-sale price of coastal fish have increased, rising fuel price is impacting significantly on the profitability of fishing businesses.

France

The average first-sale price of landings by the French fleet and exports of seafood increased in 2010. However, results contrast according to fleet segment and supra region (good year for cephalopods in the Atlantic, bad for pelagic fish in the Mediterranean, etc.). Indicators of stock abundance and the first-sale prices looked positive in the first part of 2011. However the problem of rising fuel prices reappeared and will again have a direct negative impact on the profitability of vessels in 2011 and 2012.

Germany

Both volume and value of landings increased in 2011, due mainly to an increase in quotas for several TAC-regulated species important to the German fleet (North Sea herring, plaice, whiting and haddock, Baltic cod). Fishing effort and capacity of the German fleet continued to decrease in 2011 and 2012, which is expected to reduce costs, in particular variable costs. In fact, considerable effort has been given to reducing costs, mainly fuel. Vessels have attempted to optimise trawling speed in order to consume less fuel. A pilot project on energy savings with respect to on board equipment (shrimp boiler, heating, drag reduction) has shown promising results. It can be expected that the

implementation of these measures will lead to a further decrease in fuel consumption. The Eastern Baltic cod fishery has been MSC certified, while the approval process for Baltic herring and brown shrimp is in progress. According to previous experience the certification has paid off in higher prices, exceeding the cost for certification. However, if the first-sale price for brown shrimp continues to deteriorate, this will have a significant impact.

Ireland

The key drivers influencing the economic performance of the Irish national fleet in 2010 were low first point of sale prices returned to vessels and the increasing cost of fuel in the latter part of the year. Fuel price increases have continued in 2011 and are expected to further affect the profitability of the Irish national fleet in the future. Segments of the fleet have sought to consolidate market share, improve market access and product prices through collective engagement with internationally recognised certification processes. Vessels of the pelagic and polyvalent fleets targeting mackerel, achieved Marine Stewardship Council (MSC) certification in 2009 and 2010 and an internationally accredited (ISO 65), National Seafood Stewardship Standard is available to the main segments of the Irish national fleet in 2012.

Italy

In 2010, a reduction in the demand of seafood and a consequent reduction in first-sale prices has had a significant effect on the economic performance of the sector. As no relevant change has been registered in these factors, it is expected that low demand and reduced prices have also affected the economic performance in 2011, and will continue to do so in 2012. Declines in both landings and average prices are expected in 2011. Total operating costs are expected to have increased, mainly due to the increase of fuel costs that started in the second half of 2010, which is consistent with the decrease in effort (fishing days). Gross profit, GVA and net profit are expected to have decreased in 2011.

Latvia

Overall, two main trends were observed in the activity of the Latvian Baltic Sea fishing fleet – a reduction in the volume of landings and an increase in average prices, resulting in a 10% increase in income, from €21.9 million in 2010 to €24.2 million in 2011. Total operating costs are expected to decline by 24%, mainly due to a negligible fluctuation in cost structure. Effort decreased by 14% (days at sea or fishing days) and landed volume by 19%. The value of landings was relatively stable at around €20.7 million. Gross profit and net profit are expected to increase to €2.5 and €2.8 million, respectively, in 2011.

Lithuania

The main segments of the Lithuanian fleet (area 27 drift and fixed nets 0-10m and area 27 demersal trawlers 24-40m) showed an increase in volume and value of landings, fishing days as well as prices of several species, resulting in a 13% increase in income, from €3,27 million in 2009 to €3,7 million in 2011. Total operating costs are expected to rise in 2011 and 2012 mainly due to record high prices of fuel. Repair and maintenance costs are also expected to increase due to the increasing age of the fleet. The value of landings and income generated decreased because of the declining number of enterprises involved in coastal area fishing. Landings income for the demersal trawlers 24-40m segment (targeting mainly Atlantic cod) is expected to rise or at least remain at the current level due to increased quotas for Atlantic cod and good price expectations. A less optimistic forecast is foreseen for vessels fishing pelagic species such as European sprat and Baltic herring in the Baltic Sea, which are associated with lower quotas and prices.

Malta

Overall, at the Maltese national fleet level slight increases in landings volume and higher than average prices resulted in a 30% increase in landings value, from €8.8 million in 2010 to €11.4 million in 2011. Total operating costs for 2011 are expected to have decreased in line with the reduction in effort (days at sea), which decreased 37% between 2010 and 2011. Economic performance is projected to have improved in 2011 due to an expected increase in income from fish sales and lower variable costs. Most economic variables for 2012 are expected to remain stable. However, fuel costs are expected to increase due to the substantial rise in fuel prices and consequently, profitability from this point of view is expected to be negatively affected.

The Netherlands

At the Dutch fleet level declines in landings and average prices are estimated to have resulted in a 10% decrease in income, from €355 million in 2010 to €320 million in 2011. Total operating costs are expected to have increased by 5%, mainly due to an increase in fuel prices and therefore also fuel costs. Effort in days at sea and fishing days decreased. Wages are lower because of lower income and higher fuel costs (dependency). Gross profit, GVA and net profit are expected to decrease in 2011.

Poland

The Polish fleet was profitable (€6.1 million) in 2010, and according to provisional 2011 data, a further increase in the economic performance of the Polish fleet can be expected. This will be a result of increased value of fish landed, a consequence of higher cod TAC and generally higher fish prices in 2011. Total landings value in 2011 increased 21% compared to 2010 while total effort (days at sea) decreased by 5%. The economic situation of the Polish fishing fleet may deteriorate in 2012 as a result of an increase in the number of vessel, i.e. vessels that will re-enter the fishery after the 3 year cod quota allocation system implemented in 2009 (rotating suspension of 1/3 of the cod fleet each year). Lower TACs for pelagic species (sprat and herring) may be partly compensated by higher prices. However, increasing foreign landings of Baltic cod in Poland and higher TAC for this species could lead to cod supplies that exceed market demand. This imbalance may result in price drops and consequently a deterioration of the economic situation for the demersal fleet segments.

Portugal

Portuguese landings are expected to increase in 2011. However, the economic performance of the Portuguese fishing fleet has been deteriorating over the last few years and this trend is expected to continue in 2011 and 2012.

Slovenia

The number of vessels, GT and kW will remain relatively stable in 2011 and 2012, although effort may have increased in 2011 and may continue to do so in 2012 due to low fish stocks in the Adriatic Sea. If fishermen want to hold the volume of landings at current levels they will have to increase the number of fishing days. Landings volume has decreased since 1990, and this trend is expected to continue in 2011 and 2012. Due to the steady increase of fuel price in 2011 and 2012, a decline in fuel consumption is expected despite increased fishing effort (days). Repair and maintenance costs are also expected to increase due to the increasing age of the fleet, and hence, profit will decline in 2011 and 2012.

Sweden

Towards the end of 2009 Sweden introduced an Individual Transferable Rights (ITR) system for pelagic quotas, the effects of which should have been visible in 2010. However decreased quotas for pelagic species (most importantly for herring and sprat) may have had a negative effect on the profitability of the pelagic fleet segments. The effect of the new system will most probably only be visible once results for 2011 are analysed and excess capacity has been removed from the fleet. Fuel price increases are expected to continue to negatively affect the economic performance of all fishing fleet segments in 2011 and 2012, but in particular segments fishing with active gears (e.g. trawls and seiners).

United Kingdom

Fuel prices are again reaching or exceeding the levels seen in 2008 and this is clearly reducing profits in the immediate term. The expectation of further effort cuts under the cod recovery plan and stated efforts among industry leaders to resist further reductions in effort is creating great uncertainty and concern about the near future among vessel owners. The lack of agreement over mackerel quotas for Iceland and the Faroe Island is continuing to cause concern for the health of the stock and future fishing opportunities for UK vessels. An increase in landings volume by vessels from other countries can be expected to put downward pressure on global prices for mackerel, putting further pressure on UK pelagic vessel businesses. Management and allocation of quota to under 10m vessels continues to be controversial in England.

7. Special Chapters of the 2012 AER

Economic Indicators for Assessing Balance between Fleet Capacity and Fishing Opportunities

The main conclusions and recommendations included in this chapter:

(1) Based on several assumptions and with some caveats, it is possible to make some approximate estimates of the potential value of profits that are foregone as a result of operating a fleet that is over capacity relative to its fishing opportunities. The foregone profits indicator would be a useful addition to the set of balance indicators already in existence as it can inform of the potential profitability implications of operating different fleet sizes.

(2) Care should be taken to avoid using an estimate of foregone profits in relation to income as an approximation for the extent of overcapacity within a fleet segment. However, when results are evaluated alongside existing balance indicators, an overall qualitative evaluation of the extent of over- or under-capacity should be achievable.

(3) A fleet with a relatively low technical utilisation rate can still be profitable overall and make a good return on investment.

This is due to a number of factors⁷ including the makeup of the fleet, the restrictions imposed on the fleet, the cost structure of the fleet, prices obtained by the fleet, the capital value of the fleet, etc.

⁷ The example of the UK pelagic fleet shows that some fleets that are only used for relatively short periods of time can still be highly profitable and make a good return on investment, with high wages for their crew.

(4) The limits set for each category (red, green and amber) in the "traffic light system", although chosen by experts, may not necessarily be the most appropriate for the fleet segments by Member State.

(5) This exercise highlighted the need for better quality data to provide an accurate assessment of balance between fleet capacity and fishing opportunities.

Although including foregone profits in the set of balance indicators that can help illustrate the potential value of profits in fleet segments that are over capacity relative to their fishing opportunities, it is important to remember that other factors also play an important role.

Fishing Rights

The special chapters analyses the TFC-like systems in 6 Member States with available data. Although most MS have some right base management systems in place, only a few of them have put in place fully-fledged TFC-like systems (individual transferable quotas-ITQs- or similar). Below are the main observations and conclusions:

- Over time, the value of fishing rights has increasingly become a significant part of the value of firms in the sector.
- There is some evidence to suggest that ITQs can generate incentives that over the longer term lead to capacity adjustment and a more profitable fleet.
- Volume of trade is low. Reasons for this can vary including uncertainty over the future value of the rights, the future value of the stock, and the distribution of rights.
- Trade of fishing rights is concentrated in the over 12 m sector
- Spin-off market activity is occurring. The data shows that there is a higher value for the purchase of fishing rights than for their sale. Anecdotal evidence suggests that in some cases (like the UK), both banks and POs have purchased fishing rights as an investment. In other cases, fishing rights are purchased from inactive vessels and sold on the market.
- There is some evidence that the more efficient fleet segments were net purchasers of rights and that they were more profitable than the selling segments. This could signal some re-distribution from less to more efficient rights owners.

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Abstract

The 2012 Annual Economic Report (AER) on the European Union (EU) fishing fleet provides a comprehensive overview of the latest information available on the structure and economic performance of EU Member States fishing fleets. This summary report serves to highlight some of the key findings of the 2012 AER. Results on the economic performance indicate that the EU fishing fleet moved from a loss making position to post a profit in 2010. On the whole, the EU fleet showed improvements in all the main economic performance indicators analysed when compared to 2009. Furthermore, and despite the uncertain economic climate, economic performance projections for 2011 indicate that profitability improved for around three quarters of the national fleets analysed.

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The Scientific, Technical and Economic Committee for Fisheries (STECF) has been established by the European Commission. The STECF is being consulted at regular intervals on matters pertaining to the conservation and management of living aquatic resources, including biological, economic, environmental, social and technical considerations.