

Presentation to the Market Advisory Council of the Annual Economic report of the EU Fishing Fleet 2020 Nowcasting 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
Raúl Pallezo
Natasha Carvalho
Jordi Guillen
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



NOWCASTING Methods

- Submitted economic data has a two-year time lag (t or 2018)
- AER is produced in year t+2 (e.g. 2020)
- Transversal data has a one (t+1) or two-year time (t).
- Because data is collected, processed and quality checked at the MS level before submission to the DCF.
- Estimates of recent (year t+1 and t+2) economic performance of the EU fishing fleet are produced using ‘nowcasting’ techniques.

AER in year t+1 and t+2 are estimates

In the AER 2020, the values provided for 2019 and 2020 are estimates made by the EWG.

NOWCASTING Methods

Reported	Non reported	North Atlantic	Mediterranean
Number of vessels	Costs	TAC	Effort
Days at sea (t+1)	Employment	Biomass	Biomass (when available)
Value of landings (t+1)	income	Quota uptake	

**Well established methods but in 2020 the COVID-19 came
And in 2021, COVID+Brexit**

NOWCASTING COVID-19

COVID-19 Adjustment factor, with the following Sources:

- ACDR data on Member State landings
- AIS data by MS EEZ
- survey sent out to the fishing industry and fishing experts
- MS monthly landings (where reported).

When multiple sources:

- Simple average
- Calculated at fleet segment level
- In many cases the same factor was used for all the segments of the MS.

COVID-19 financial support programmes are not incorporating into the adjustment factors:

- Most of them tie up and not top up, so total pay small compared to overall.
- AER does not report on direct subsidies.
- Important caveat, specially if the programmes are large.

NOWCASTING

Which are these “B” variables used to nowcast?

Number of vessels	EU fleet register
TACs	Council regulations
Swaps	FIDES
Quota uptake	FIDES
SSB	Stock assessment
Fuel Costs	EUMOFA
Inflation	CPI Eurostat

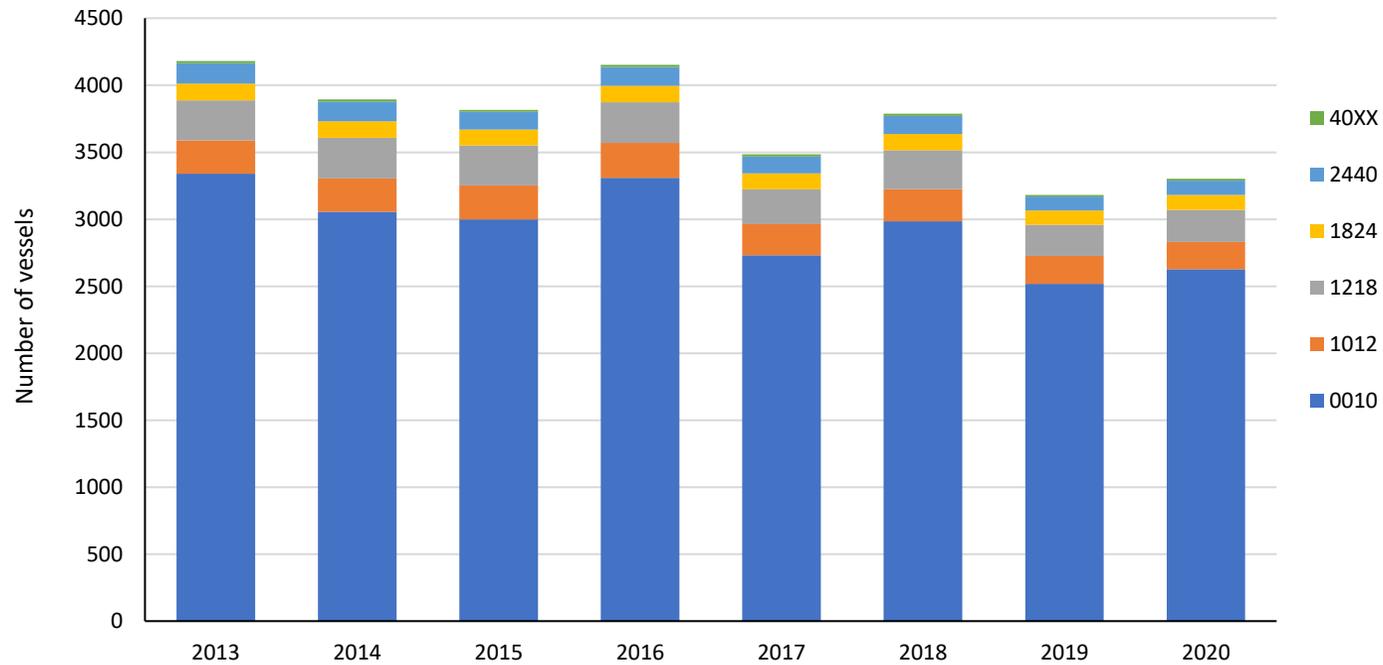
NOWCASTING Examples

Marine fuel oil price: EU



NOWCASTING Examples

Number of vessels: Portugal



Forecast 2020

Results

- Is **not an Impact assessment** of the COVID-19 on EU fisheries, is the usual AER nowcast 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-ZI:All



Source: AER 2020

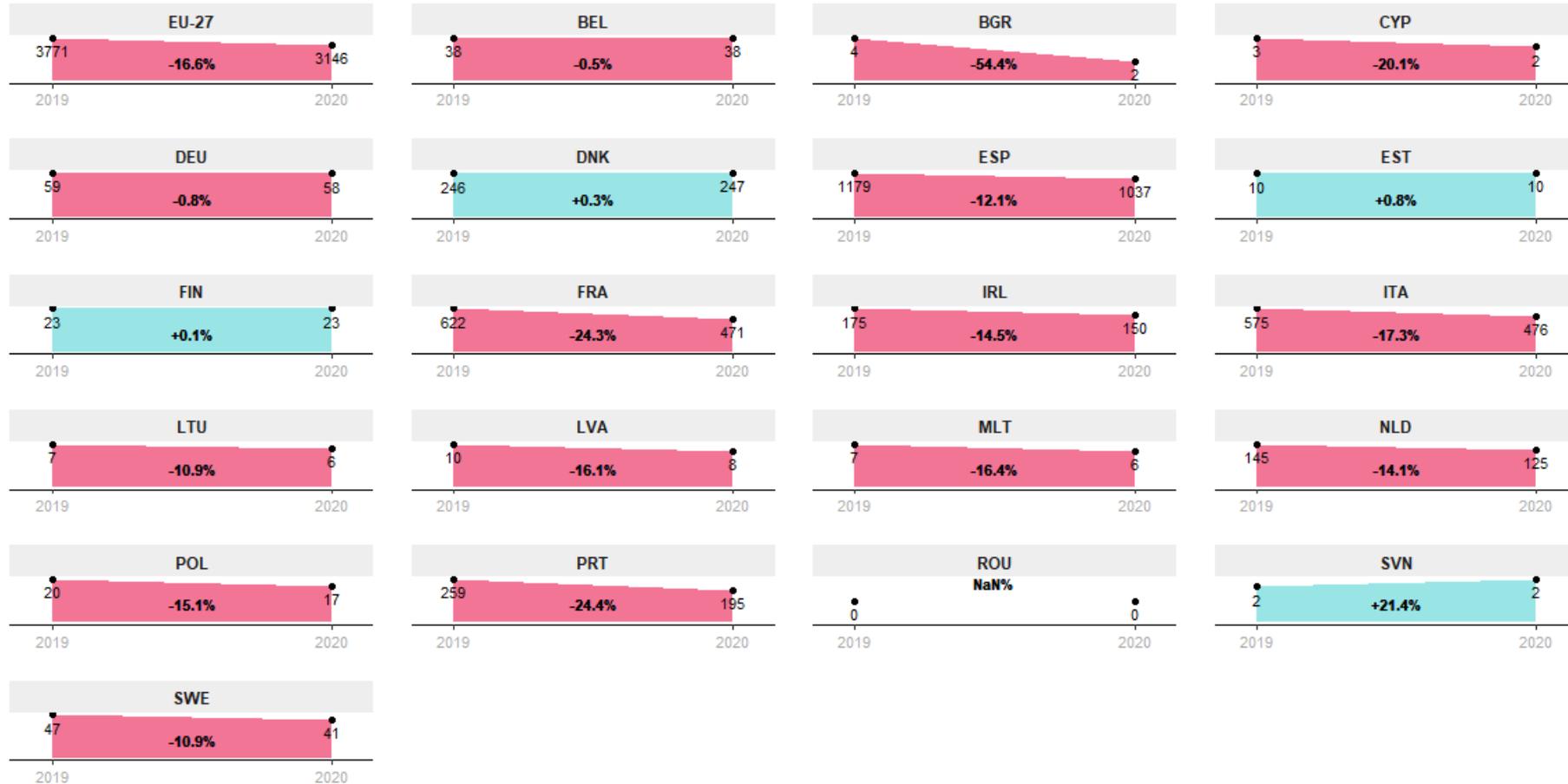
At a glance (Landings 2020)

EU-27:All



At a glance (GVA 2020)

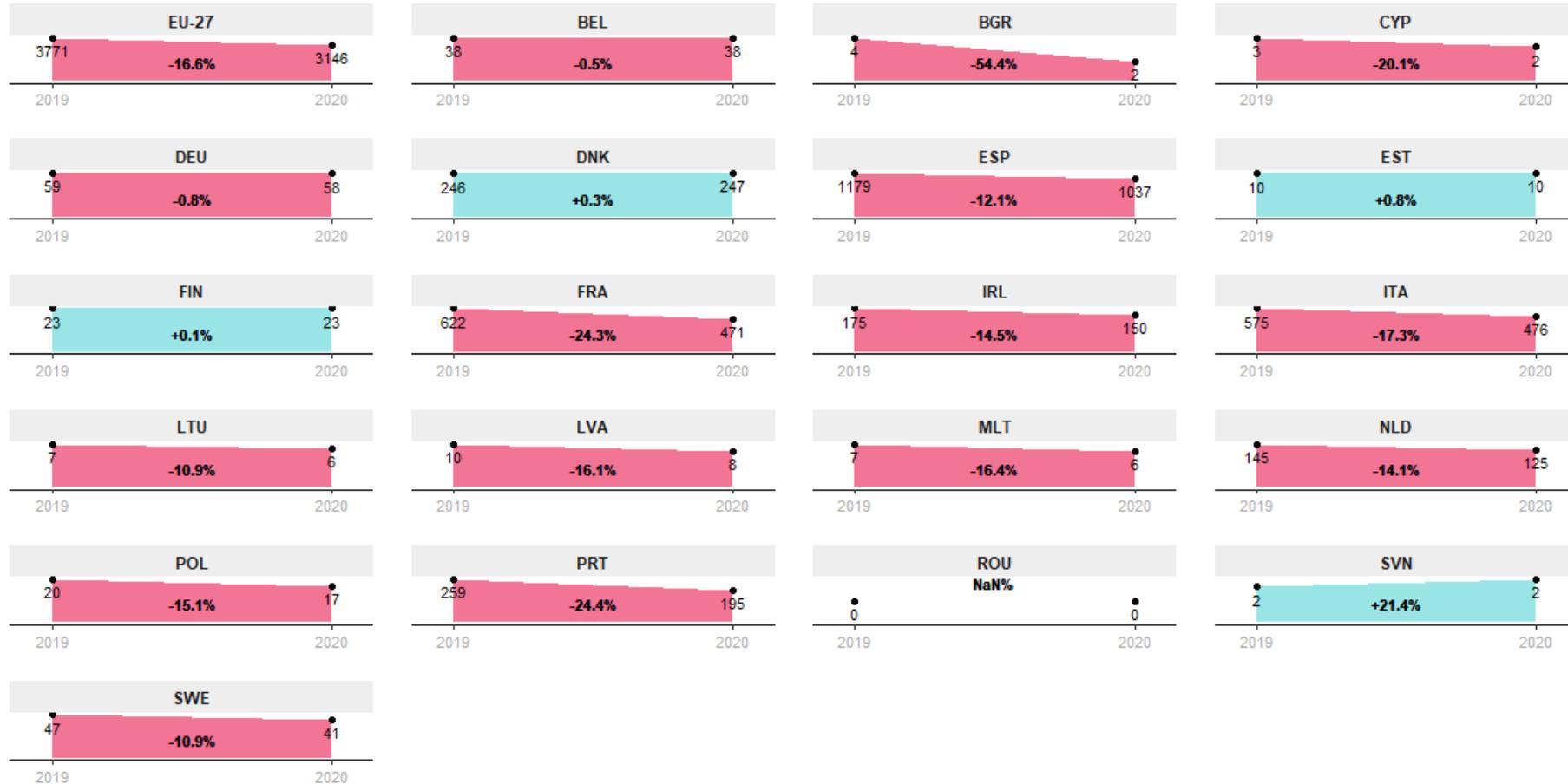
EU-ZI:All



Source: AER 2020

At a glance (GVA 2020)

EU-ZI:All



Source: AER 2020

At a glance (Gross Profits 2020)

EU-27:All



Comments

- Nowcasting is always a risky exercise, so we play safe in here.
- As much observed data as possible is used, although some estimations are always required.
- This is even more complex when our well established procedure is disturbed by effects such as the COVID or Brexit (this year).

Comments

- **TORs AER 2021.** The relevance and role of the following factors should be taken into account: changes in **first sale prices**, operational costs, in particular fuel prices and fuel efficiency; **structural and marketing measures, market and trade determinants.**
- Note that every year, we reconstruct the full time series so **NEVER is too LATE.** Always open to “doable” suggestions.
- **We need support to fully understand the drivers, in markets and trade, which at the end affect the profitability of the EU fleets.**

EWG 20-03 & EWG 20-06

The End

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

rprellezo@azti.es