



Advice

2022 Annual Economic Report on the EU Fishing Fleet

Brussels, 24 May 2022

1. Introduction

The Scientific, Technical and Economic Committee for Fisheries (STECF) publishes, every year, the Annual Economic Report on the EU Fishing Fleet. As highlighted in previous advice¹, this report has particular relevance for the work of the MAC. As outlined in the Work Programme of Year 6 (2021-2022), the MAC aims to maintain a continued collaboration with STECF, including through the participation as active observers at the meeting of 13 to 17 June 2022. Ahead of this meeting, the MAC would like to suggest several topics for the Commission to raise with STECF experts.

2. Calculation of greenhouse gas emissions

The European Commission set out a clear vision to achieve climate neutrality by 2050². The EU has already started to modernise and transform the economy with the aim of climate neutrality. In this context, according to the Commission, between 1990 and 2018, the EU reduced greenhouse gas emissions by 23%, while the economy grew by 61%. However, the Communication on the European Green Deal³ acknowledges that current policies would only reduce GHG emissions by 60% by 2050.

¹ Advice on STECF was adopted on 23 September 2020: <https://marketac.eu/data-collection-by-stecf/>.

² [A Clean Planet for all - A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy COM \(2018\) 773](#)

³ [The European Green Deal COM \(2019\) 640 final](#)

In light of the above, the EU concluded that much remained to be done, starting with more ambitious climate action in the coming decade. For that purpose, the Commission set a clear course to reduce GHG emissions by at least 55% by 2023 if compared with 1990 levels in a responsible way. A clear reflection of this ambition is echoed in the legislative package “Fit for 55”. To deliver this target, it is fundamental for policymakers and fishing industry stakeholders to know the state-of-play in the sector.

According to the latest STECF data, between 2009 and 2018, fuel consumption and CO2 emissions from fishing decreased by 18%. Even though this positive trend is welcomed and useful, the data set does not cover the period 1990-2020, which is the target of the EU policy. At the same time, under the Kyoto Protocol, the Commission and Member States are obliged to report their emissions since 1990. In this context, DG CLIMA provides, in an aggregated manner, information on the emissions of the EU fleet on an annual basis.

Data on the state-of-play of the missions of the fishing sector is fundamental to underpin legislative proposals affecting the EU industry, such as “Fit for 55”, allowing a comparison between the actual results and the quantitative targets set by the European Union.

3. Capital allowances and capital depreciation

The method of calculation of capital allowances and capital depreciation for fishing vessels can have a significant effect on the overall gross margin of a fleet segment particularly when a new vessel is entering the fleet. It is important that STECF review and harmonise the method of calculation of capital allowances and capital depreciation to avoid distortions in the Annual Economic Report.

4. Continued relevance of specific chapters

The previous edition of the report included chapters dedicated to “fuel” and to “Brexit”, which, taking account the continued impact of these on the profitability of the EU fishing fleet, should be maintained in the 2022. The MAC would also like to highlight the importance of the nowcast and forecast exercises included in the annual report, taking into account the available incomplete data on the running period.

5. Recommendations

In the development of the 2022 edition of the Annual Economic Report, the MAC believes that DG MARE, with the appropriate involvement of STECF, should:

- a) Liaise with DG CLIMA, in order to provide to the MAC a more precise and comprehensive picture on the state-of-play of the GHG emissions of the fishing sector as of 1990;
- b) Undertake action to review and harmonise the method of calculation of capital allowances and capital depreciation to avoid distortions in the annual report;
- c) Maintain the chapters on “fuel” and “Brexit” as well as the nowcast and forecast exercises;
- d) Evaluate the cashflow situation in the different fleet segments, taking into account the requirements of the financial institutions under the Basel Framework.