

THE 2022 ANNUAL ECONOMIC REPORT OF THE EU
FISHING FLEET

AER 2022

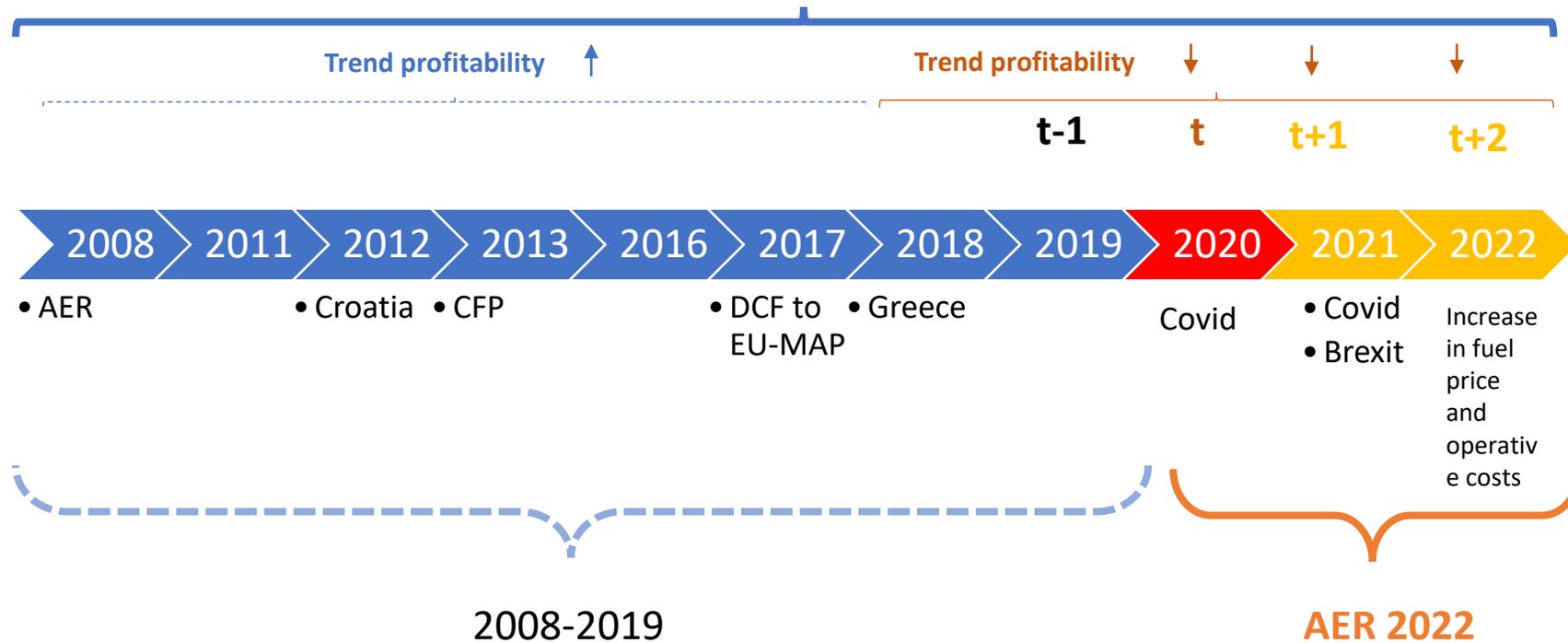
Presentation to the Market Advisory Council
19/09/2022

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Chaired by:
Raúl Pallezo
Evelina Sabatella

AER 2022

Timeline



Contents

- EU overview ➤ All, SSCF, DWF; LSF;
Pelagic fleet; Social aspects; Outlook for 2021 and 2022
- National chapters ➤
 - 2020
 - 2020 vs 2019
 - 2020 vs 2019/2008
 - 2021 (forecast)
 - 2022 (nowcast)
- Regional chapters ➤
 - MED, BKS, BS; NSEA; SWW;NWW
 - OMR;
 - LDF: ICCAT, CECAF, IOTC; NAFO
- Annexes ➤
 - Nowcast methodology
 - Tables

Economic considerations

2020

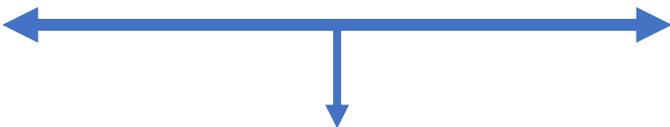
COVID-19
Closure of markets
Disruption in
consumption

More affected?
Short value chains
Small scale

2022

ENERGY COSTS
Fuel Price increase
Disruption in
production

More affected?
Intensive in fuel
Large scale



Profitability before supporting measures
Down

Overall, EU FF more affected in 2022 than in 2020, because Large scale fleet share is higher

In six sentences

- All monetary values are at 2020 constant prices (compared to 2015 in the AER 2021).
- The number of vessels were similar to 2019.
- EU fishing fleet was profitable in 2020, but performance reduced slightly compared to 2019, even in a situation of a sharp decrease of energy prices.
- The average price reduction was the main reason for this reduction.
- 2020 is a continuation of the decreasing trend observed in 2019, with the added impact of the COVID-19 outbreak.
- Nowcast estimates indicate that the performance of the fleet will deteriorate, especially in 2022, due, chiefly, to the fuel costs and inflation rates.

**Let's put some
numbers
2020 (or year t)**

EU 27
2020

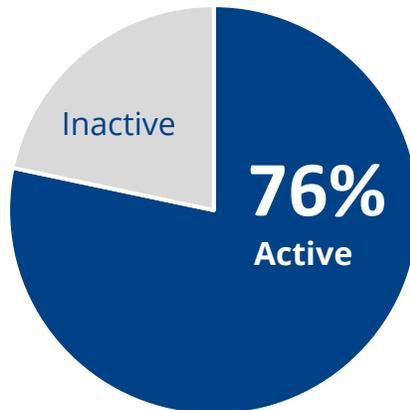
3.8 M tonnes

Landings

EUR 5.4 billion

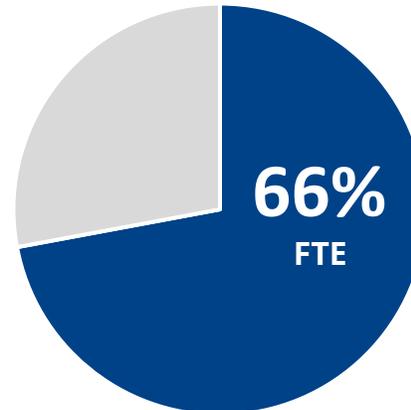
Value of landings

FLEET



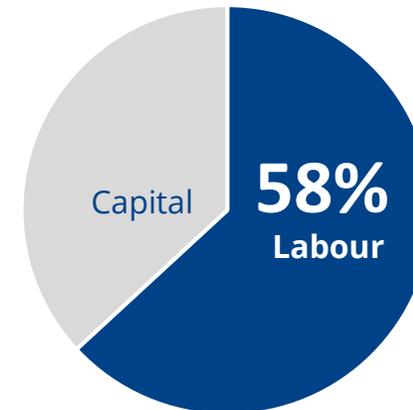
73 716
Total vessels

CREW



124 636
Fishers

GVA



EUR 3 067 M
Contribution to GDP

EU 27
2020 vs 2019

-2.4%

Landings

-12.1%

Value of landings

FLEET



-1.0%
Total vessels

CREW



-4.2%
Fishers

GVA



-5.3%
Contribution to GDP

EU 27

2020

SSCF

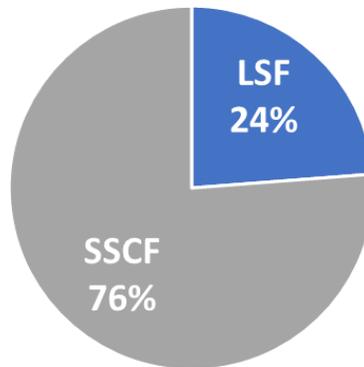
0.29 M tonnes

Landings

EUR 0.88 billion

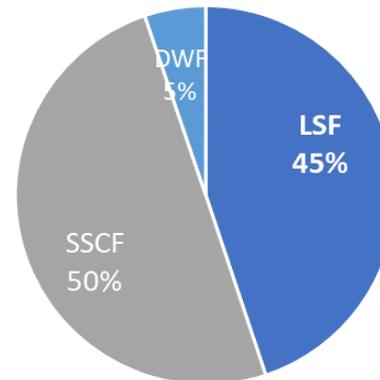
Value of landings

FLEET



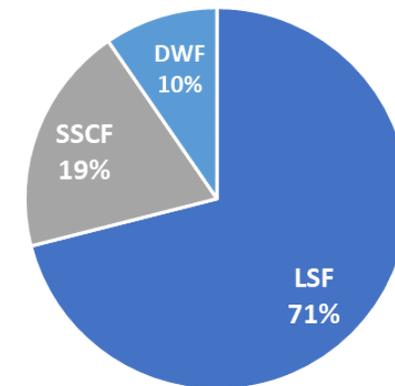
42 582
Active vessels

CREW



62 196
Fishers

GVA



EUR 635 M
Contribution to GDP

EU 27

2020 vs 2019

SSCF

+3.9%
Landings

-11.2%
Value of landings

FLEET

CREW

GVA



-0.6%
Active vessels

-0.8%
Fishers

-10.5%
Contribution to GDP

EU-27

LSF vs. SSCF vs. DWF

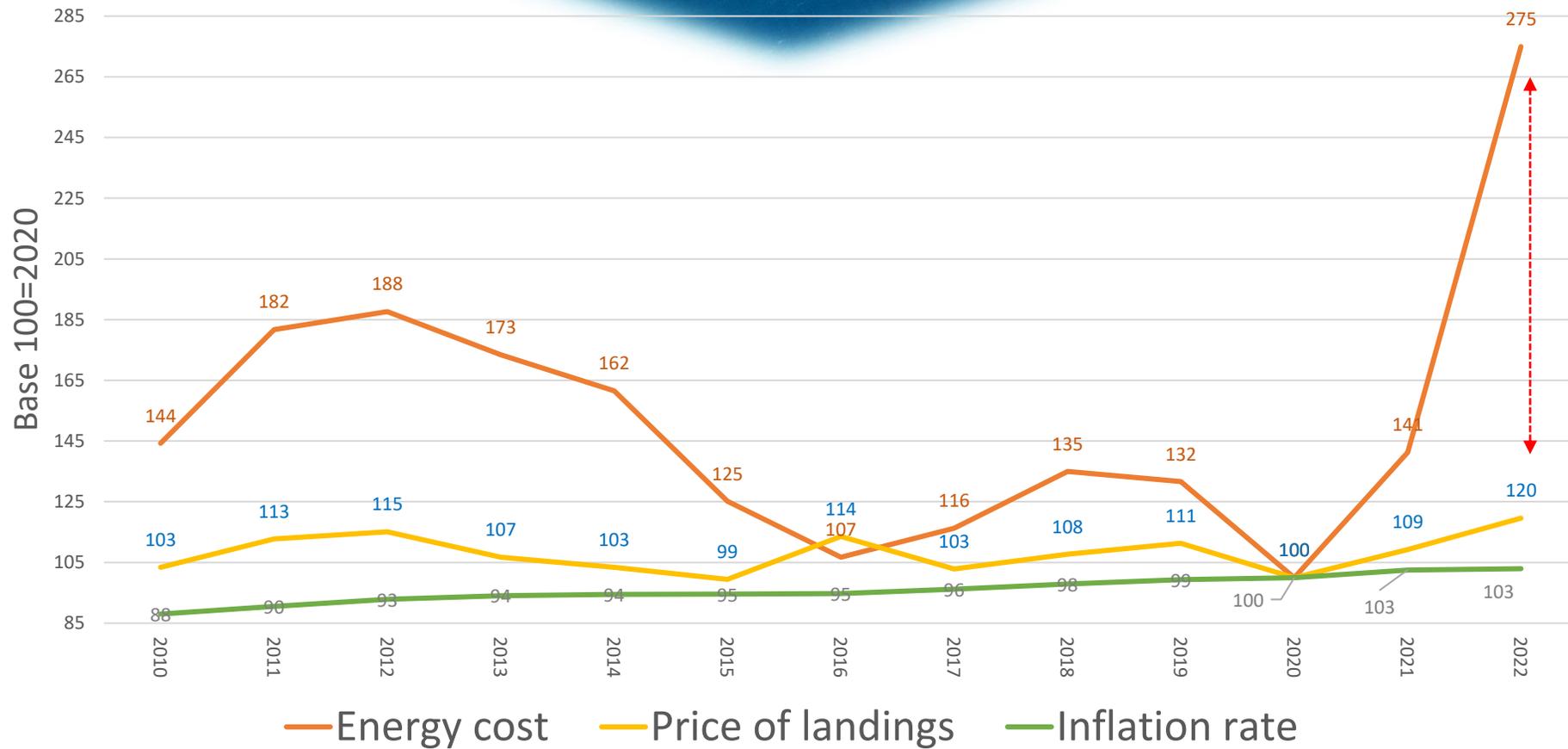
2020

- Overall, **EU fleet**, net profit margin went down **even in a sharp decrease in Fuel Costs**
- Overall, **LSF and SSCF's net profitability margins go down**. But:
 - SSCF: NWW similar to 2019;
 - SSCF: NSEA; Baltic; BS; MED; SWW **down**;
 - **SSCF: Baltic almost collapses.**
 - LSF's profitability down except in the NSEA and Baltic.
- Average wages much higher in LSF, but SSCF values biased by mixed rents.
- DWF with only 0.4% of the fleet account for 14% of the landings (value and weight) and aprox. 10% of the GVA.
 - Profitability margins of DWF improved compared to 2019.

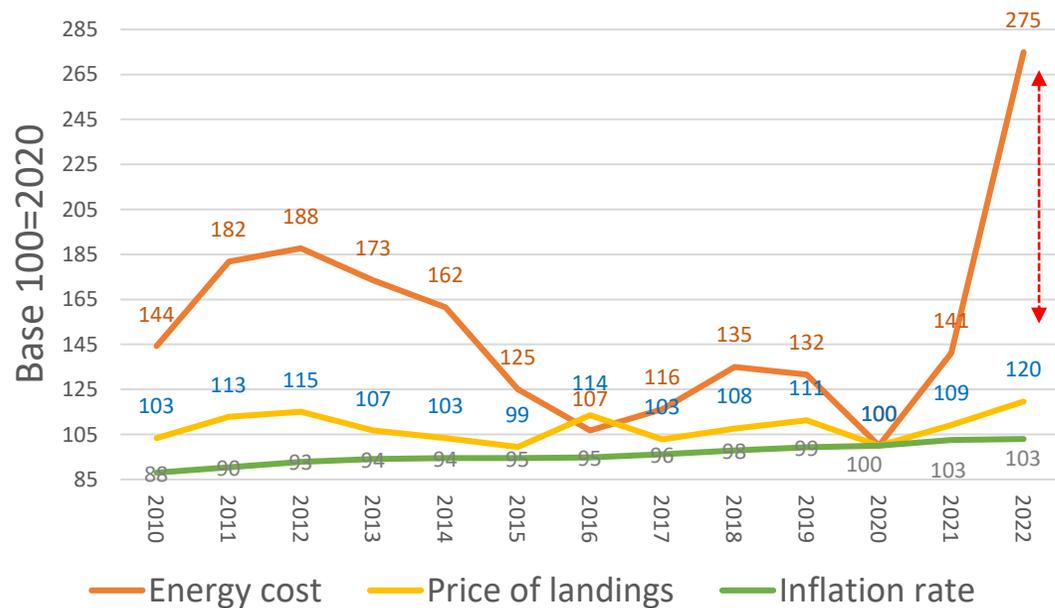
LSF Drives the EU
Overview

**Let's talk about
2022 (or year t+2)**

Forecast 2022



Forecast 2022

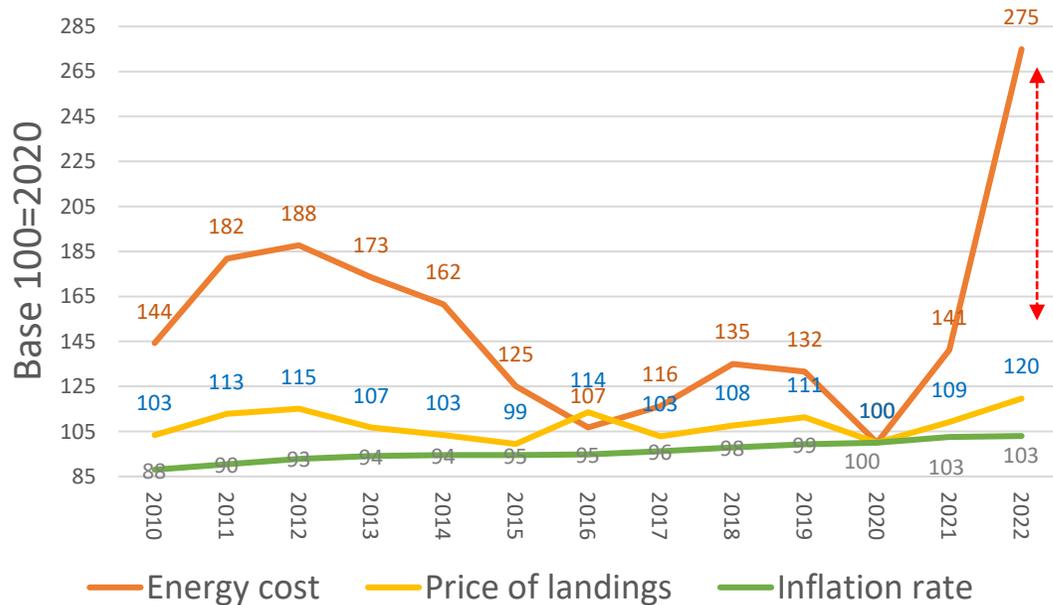


- 2020 was low fuel price year, so the graph is quite exacerbated
- However, it shows how fleets cannot transfer the increase of costs to prices
- Overall negative profits (gross and net)
- 10 MS negative gross profit. 11 MS negative net profits.

This a scenario constructed with the latest available data

- 2020: 0.4 euro/litre
- 2021: 0.57 euro/litre
- 2022 (the rest of the year as in May 2022): 1.21 euro/litre.
- Prices and fuel evolution using EUMOFA data.
- We always wait until the last moment to do this forecast, so we can use the latest available data.

Forecast 2022 (alternative)



- But we can be wrong, so we also constructed another scenario.
- We called “back to normal”.
- 2022 (the rest of the year as in Jan 2022): 1.05 euro/litre.
- In here the overall gross profits were positive, although some MS still under negative profitability
- Following your recommendations we computed an overall break-even fuel price (*ceteris paribus*).
1.17 euro/litre.
But this an overall value
- A forecast is always complex when markets are variable, and these years we have had: COVID+BREXIT+WAR. So markets are...

COMMENTS

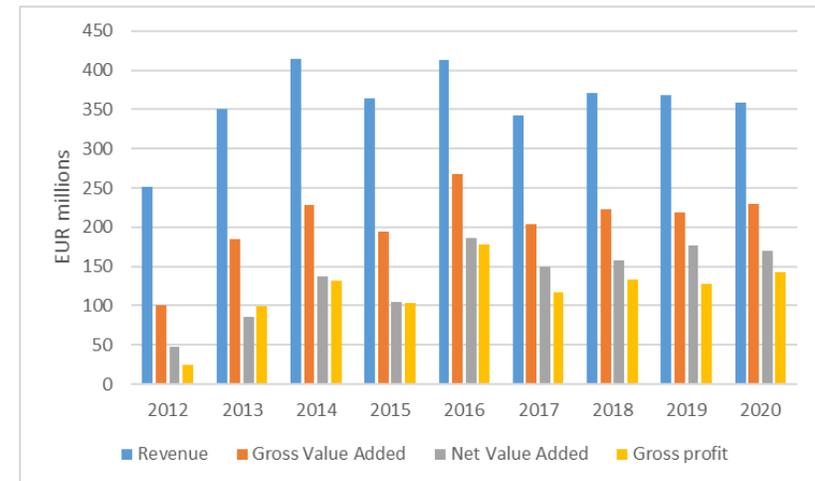
- We always receive suggestions and recommendations from different stakeholders including you. That's great.
- However, we do not always consider all of them, simply because a lack of time.
- We receive specific requests of chapters by fleet. This year we have considered, the pelagic fleet and social aspects.
- Last year we focused on Brexit and demersal trawlers....
- The ToRs of the general report are demanding. The EU fleet is diverge and for example the DWF is really complex to treat.
- Each year we always have some particular urgent issues to treat.
- But we (STECF+Chairs+JRC+DGMare) always discuss all the suggestions and requests (that are more than welcome), but they have to come early in the year, because we have to set up the ToRs of the meetings early in the year, so the experts can clearly understand what they have to do.
- And yes, they have to be achievable in a 5+5 days meetings.

Pelagic fleet

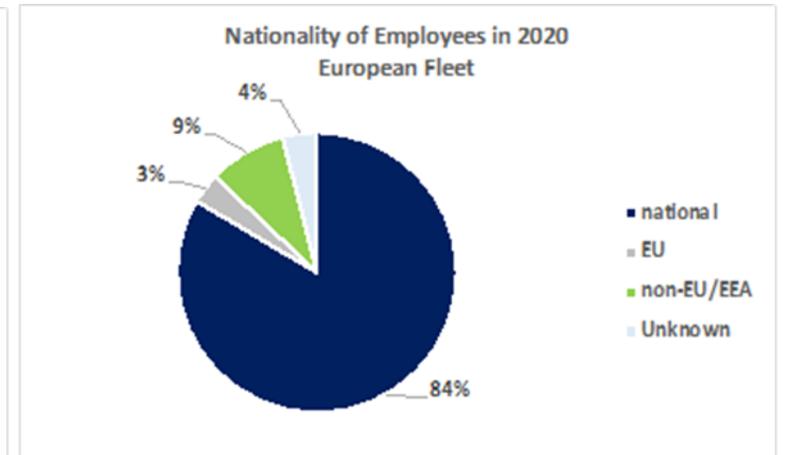
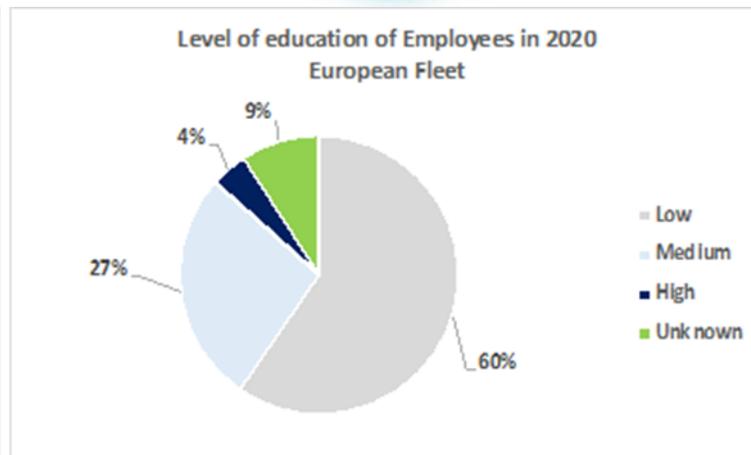
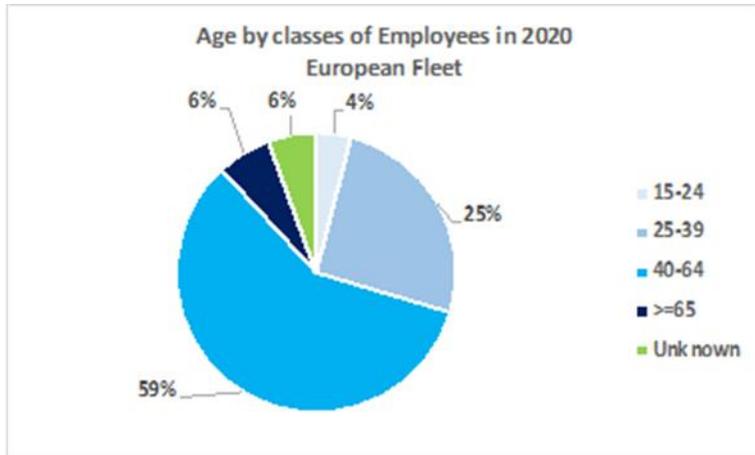
Fleet segments included in the analysis

Member State	Fleet Segment Code	No. of active vessels in 2020
Denmark	DNK NAO TM VL40XX	12 (+9% from 2017)
France	FR NAO TM VL40XX	4 (0% from 2017)
Ireland	IRL NAO TM VL40XX	20 (0% from 2017)
The Netherlands	NLD NAO TM VL40XX	6 (-25% from 2017)

Economic performance



Social aspects



Data checks have been produced;
Useful for MS to take a look at them; EWG on social aspects.

Comments

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End of the presentation

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