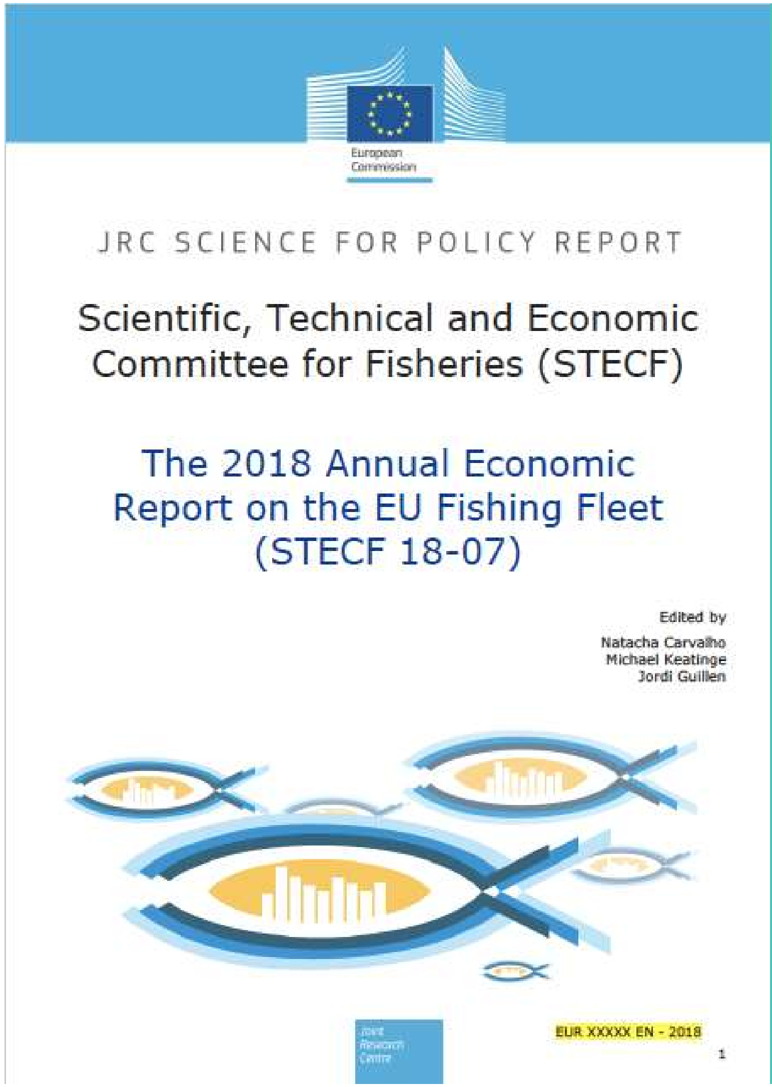
THE EU FISHING FLEET
TRENDS AND ECONOMIC RESULTS

Presentation to the Long Distance Advisory Council

December 2018

Michael Keatinge


European Commission

JRC SCIENCE FOR POLICY REPORT

Scientific, Technical and Economic Committee for Fisheries (STECF)

The 2018 Annual Economic Report on the EU Fishing Fleet (STECF 18-07)

Edited by

Natacha Carvalho
Michael Keatinge
Jordi Guillen

Joint Research Centre

EUR XXXXX EN - 2018

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The 2018 Annual Economic Report

A comprehensive overview of the latest information available on the structure and economic performance of EU Member States (MS) fishing fleets.

Compiled from surveys undertaken by Member States within the Data Collection Framework

Two Working Groups,

33 experts

Member States,

Commission (DG Mare)

Joint Research Centre,

STECF.

Angel Calvo

Natacha Carvalho,

Jordi Guillen,

Long Distance Advisory Council

Alexandre Rodríguez

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Background

- STECF EWG 1709 strongly recommended that MS make an effort to collect and recover economic data on their outermost region fishing fleets.

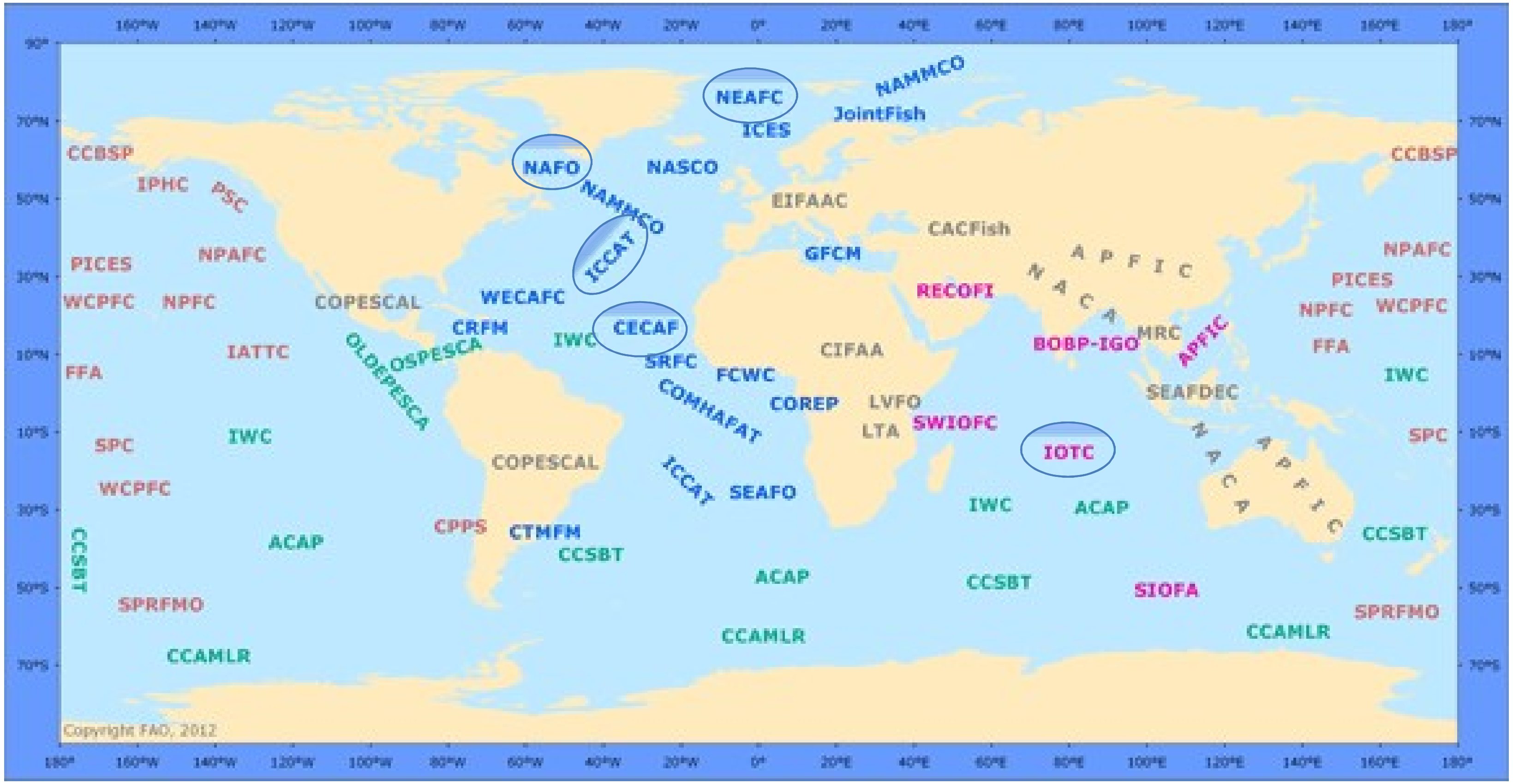
- The distant water fleet: "all EU registered vessels above 24 metres LOA operating predominately in non-EU waters". This covers all DCF fleet segments over 24m allocated to the supra-region “OFR” with more than 50% of their effort (by days at sea) occurring in non-EU waters.

- EWG 1807 agreed to restructure the OFR region section into two distinct sections: (1) the Outermost Region (OMR) and (2) Long Distant Fisheries (LDF) both pertaining to Other Fishing Regions.

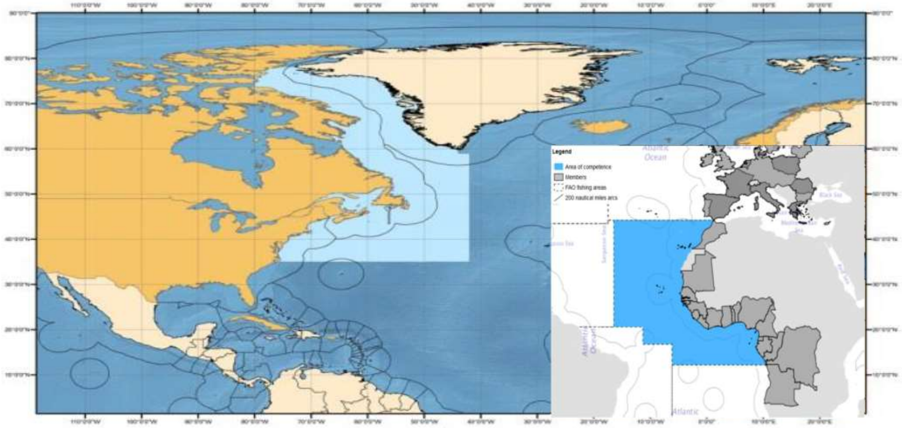
1) Outermost Regions (OMR) EEZs of Canary Islands; Azores and Madeira; Guyana, Antilles (Martinique and Guadeloupe), Reunion and Mayotte (France);

2) Long Distance Fleets operating in 'Other Regions', including all fishing areas outside EU waters and in *Areas Beyond National Jurisdiction*, covered by Regional Fisheries Management Bodies,
NAFO, ICCAT, IOTC, International waters of the Mediterranean Sea, NEAFC, WECAFC and CECAF
Fishing areas within the EEZ of third countries regulated sustainable fisheries partnership agreements (SFPAs) and private agreements.

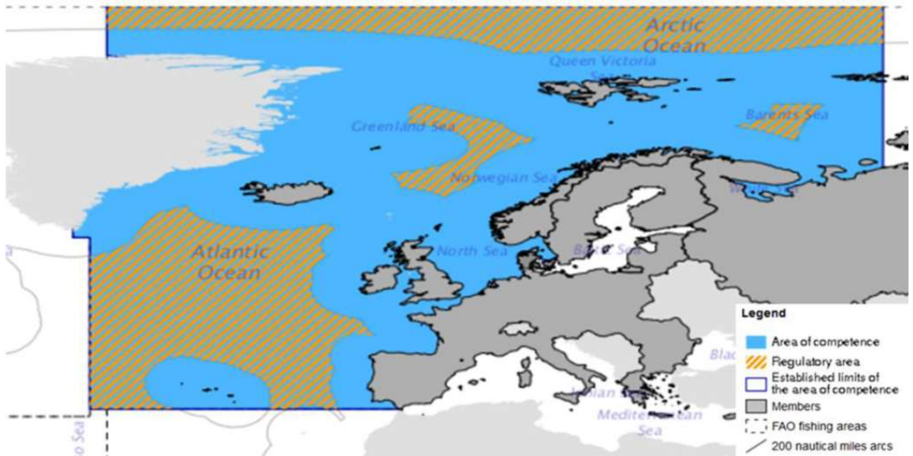
Regional fisheries management organizations



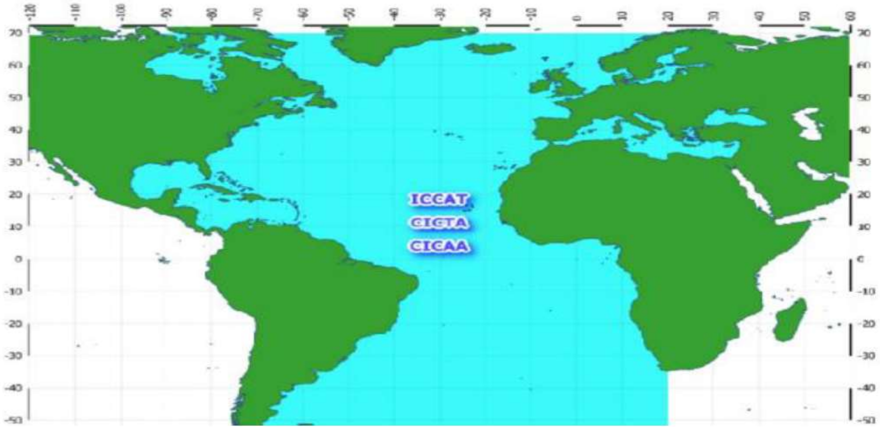
NAFO and CECAF



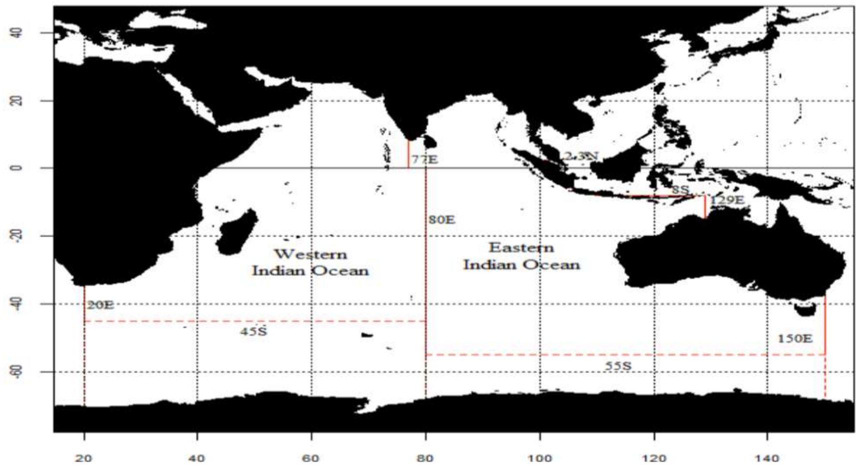
NEAFC



ICCAT – CICTA - CICAA

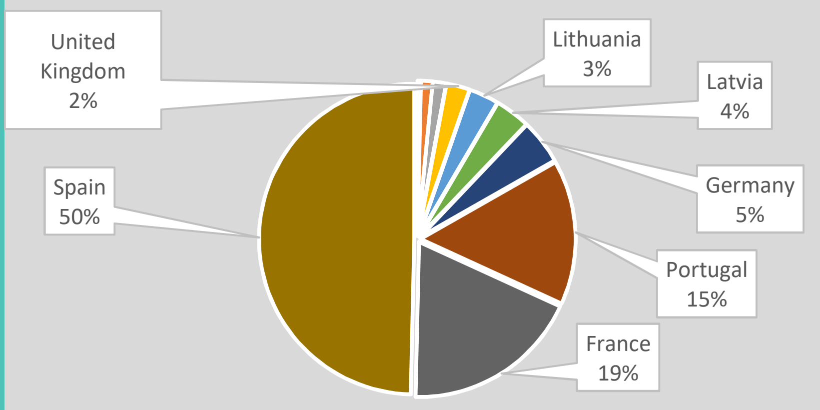


IOTC – CTOI



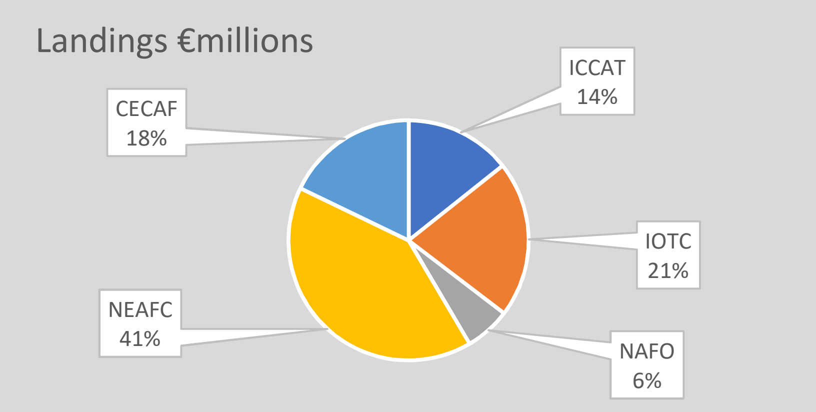
Composition of the LD Fleet

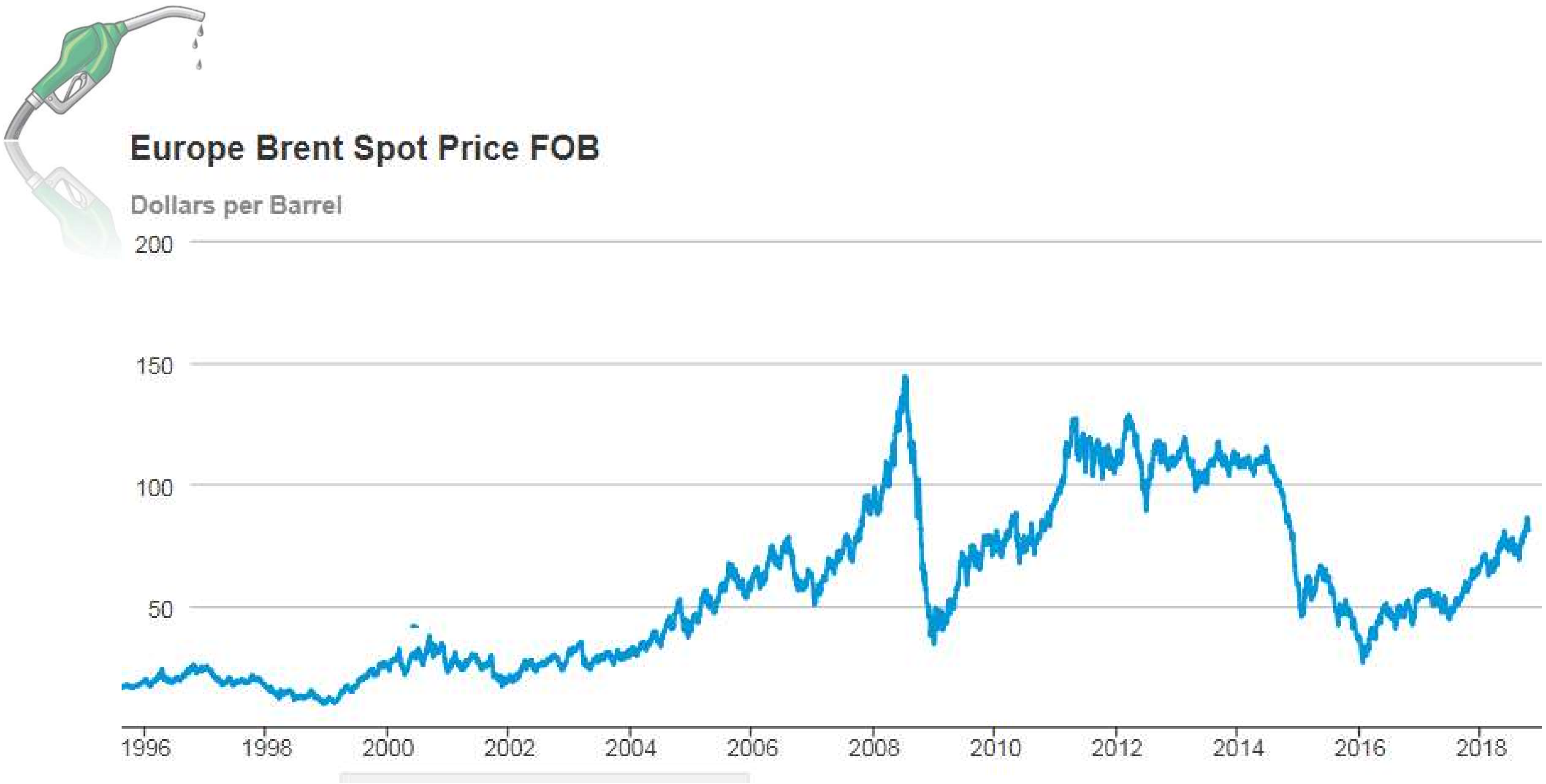
Member State	ICCAT	IOTC	NAFO	NEAFC	CECAF	Vessels	Fleet
Spain	127	30	17	73	40	287	50%
France	10	12		85		107	19%
Portugal	50	5	9	11	12	87	15%
Germany				27		27	5%
Latvia				9	12	21	4%
Lithuania				9	9	18	3%
United Kingdom				14		14	2%
Italy		1			7	8	1%
The Netherlands					7	7	1%
Poland					2	2	0%
	187	48	26	228	89	578	



	ICCAT	IOTC	NAFO	NEAFC	CECAF	Total
GT	54,882	79,505	38,105			172,492
kW	101,062	117,801	42,715			261,578
Average GT	293	1,656	1,466			298

	ICCAT	IOTC	NAFO	NEAFC	CECAF	Total
Employment (FTEs)	2,865	1,582	798	3,392	2,172	10,809
Fishing Days	35,472	8,958	2,879	52,978	19,714	120,001
Landings €millions	€248	€364	€106	€702	€308	€1,728
€/FTE	€86,422	€230,088	€132,832	€207,081	€141,972	



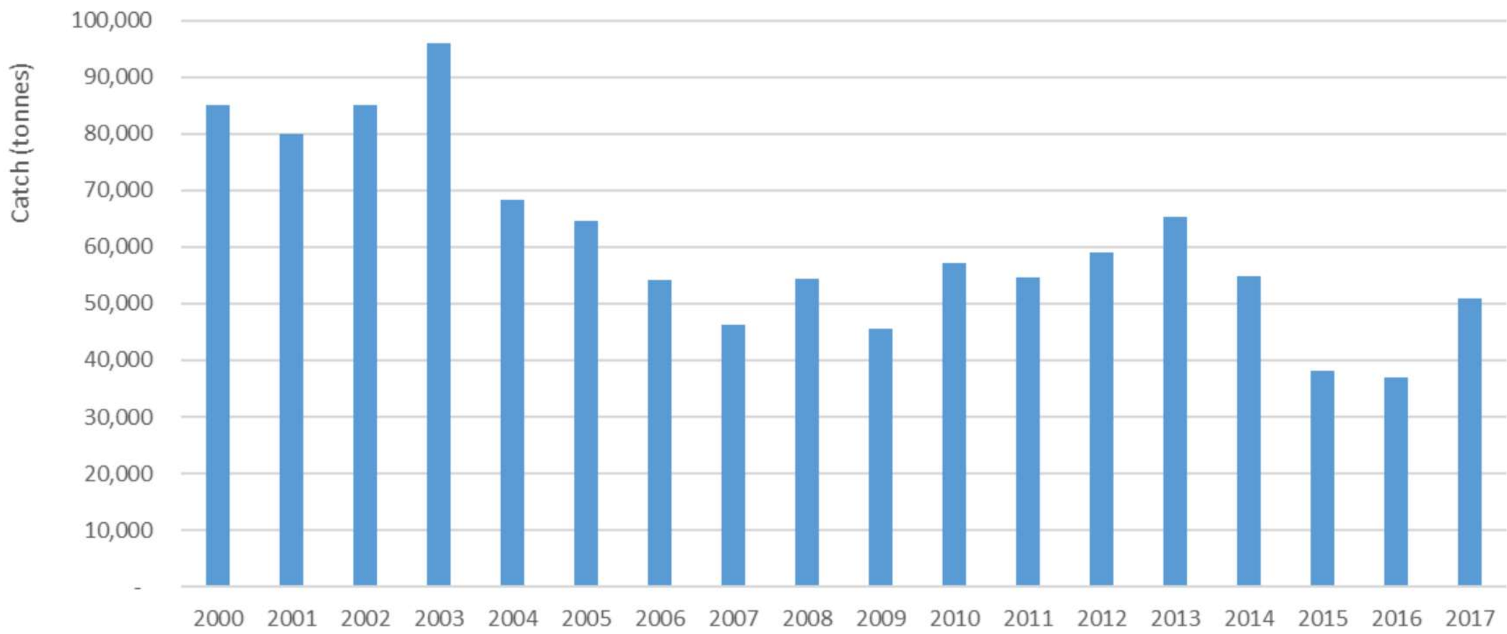

Europe Brent Spot Price FOB
Dollars per Barrel
200
150
100
50
1996
1998
2000
2002
2004
2006
2008
2010
2012
2014
2016
2018

Northwest Atlantic Fisheries Organisation (NAFO) FAO Area 21

Fisheries:	Ground fish, shrimp, and pelagic redfish.
Catches:	50,893 tonnes in 2017 - Downward trend 2000 to 2017,
Fleet:	26 Vessels; 38,105 GT; 42,715 kW
Effort:	2,879 Fishing Days
Employment:	798 FTEs
Landings:	€106 million
Landings/FTE:	€132,832

Trends in Total Catch

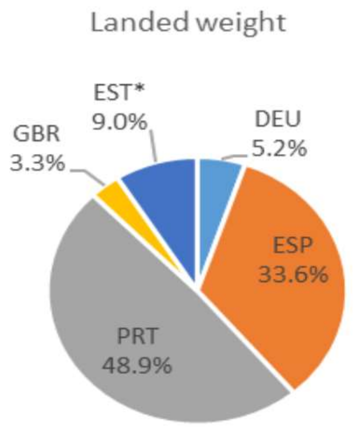
Includes Greece & Croatia

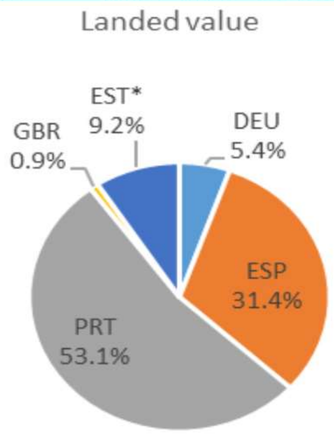


Catches have seen a downward trend over the period 2000 to 2017, oscillating mainly due to Spanish catches and reaching a low in 2016 before recovering slightly in 2017

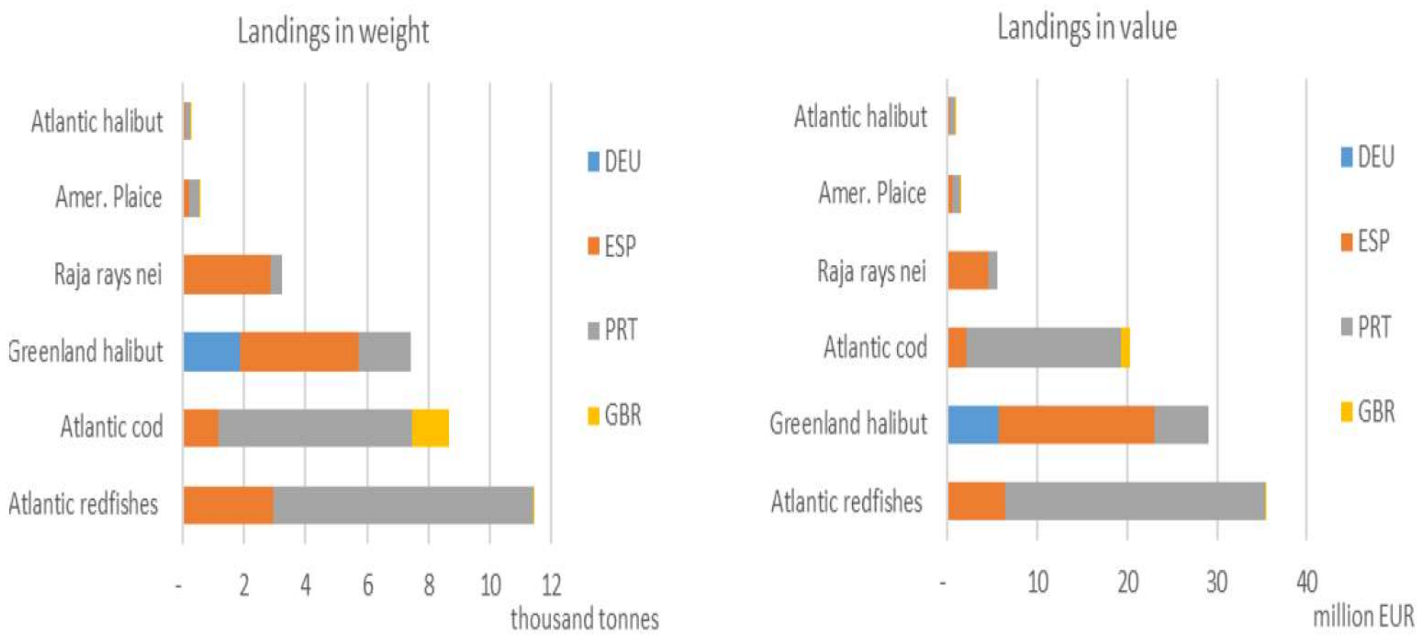
Capacity, activity and profitability Indicators

	Number of vessels	Vessel tonnage (GT)	Engine power (kW)	Total employed (#)	FTE (#)	Days at sea (days)	Fishing days (days)	Energy consumed (thousand litres)	Landings in weight (thousand tonnes)	% of EU landings weight	Landings in value (million EUR)	% of EU landings value
Germany		1,032	1,258	15	12	122	100	1,111.85	1.9	5%	5.8	5%
Portugal	9	16,344	18,486	292	267	1,796	1,724	12,808.20	17.9	49%	56.3	53%
Spain	17	19,409	20,727	447	499	1,027	1,027	5,685.47	12.3	34%	33.2	31%
United Kingdom		1,320	2,244	15	20	46	28		1.2	3%	1.0	1%
Estonia*									3.3	9%	9.7	9%
EU NAFO fleet	30+	38,105	42,715	770	798	2,991	2,879		36.6		106.0	





Landings of top six species (2016)

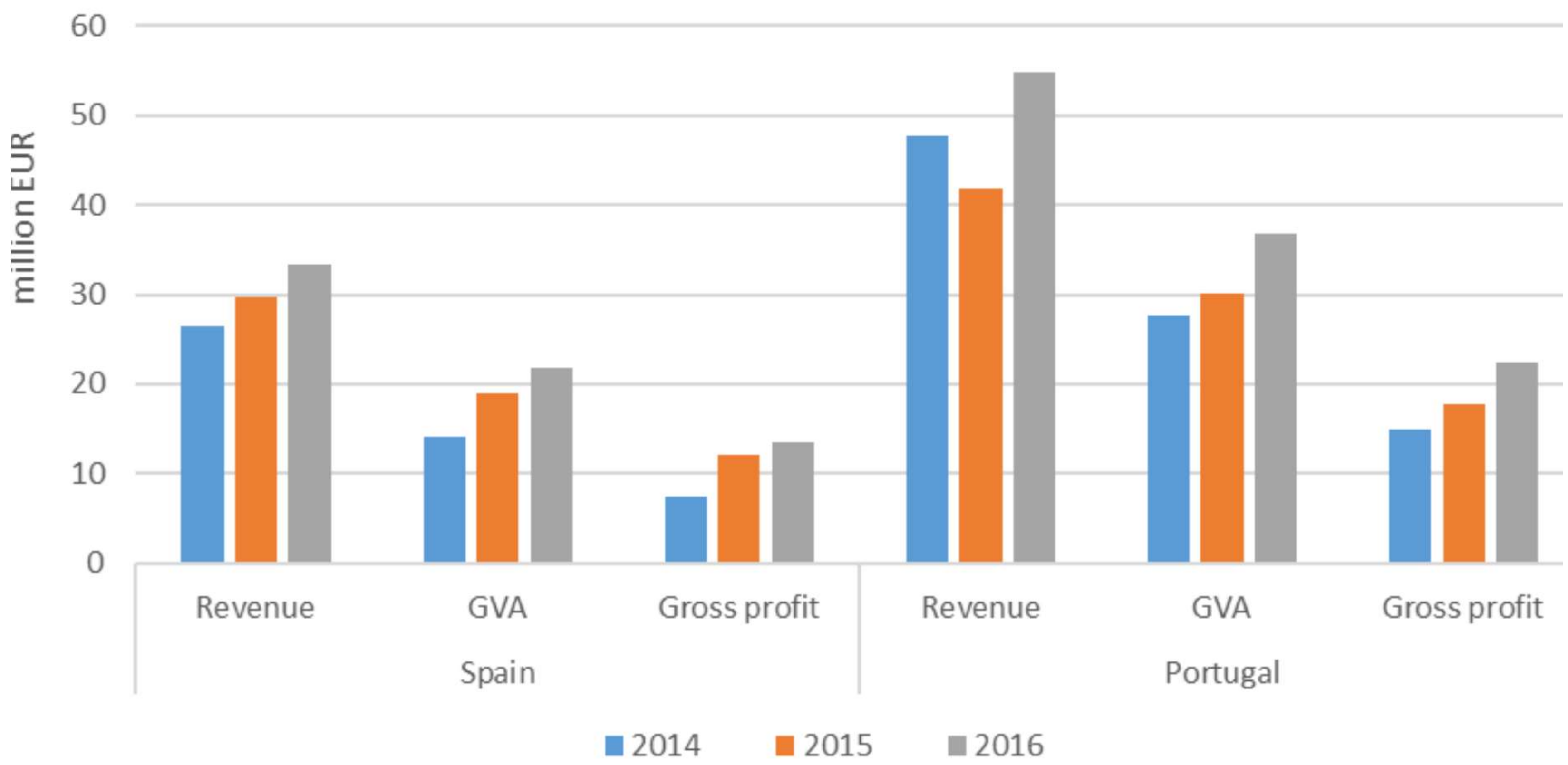


Source: Estimated from MS data submissions under the DCF 2018 Fleet Economic (MARE/A3/AC(2018))

Capacity, activity and profitability Indicators

	Revenue (million EUR)	GVA (million EUR)	GVA to revenue (%)	Gross profit (million EUR)	Profit margin (%)
Germany	5.6	3.4	60.7%	1.6	28.6%
Portugal	54.8	36.9	67.2%	22.3	40.7%
Spain	33.3	21.9	65.6%	13.4	40.3%
United Kingdom	1.1	0.4	39.7%	0.2	16.3%
Estonia*	9.7	6.3	64.5%	3.5	36.5%
EU NAFO fleet	104.6	68.9	66%	41.1	39%

Capacity, activity and profitability Indicators



Other points

- Average wage €17,300; Portugal €54,400; Spain €16,900.
- Labour productivity (GVA/FTE) €78,400; Germany €290,000; UK 22,000.
- Low, stable fuel prices, higher market prices (demersal trawlers).
- Witch flounder 3NO reopened 2015; low TAC may result in discarding problem.
- Greenland halibut Management Strategy implemented in 2018 (TAC 17,500t).
- 2018 benchmark review of cod (3M) HCR will be a major challenge for the NAFO fleet. Potentially lower catch levels have a socio-economic impact in the mid/long-term, in particular, for the Spanish and Portuguese demersal trawlers targeting this stock.

International Commission for the Conservation of Atlantic Tunas (ICCAT)

Fisheries:	20 tuna and tuna-like species or stocks.
Catches:	549,100t 2016;
EU MS catches	200,000 tonnes and stable

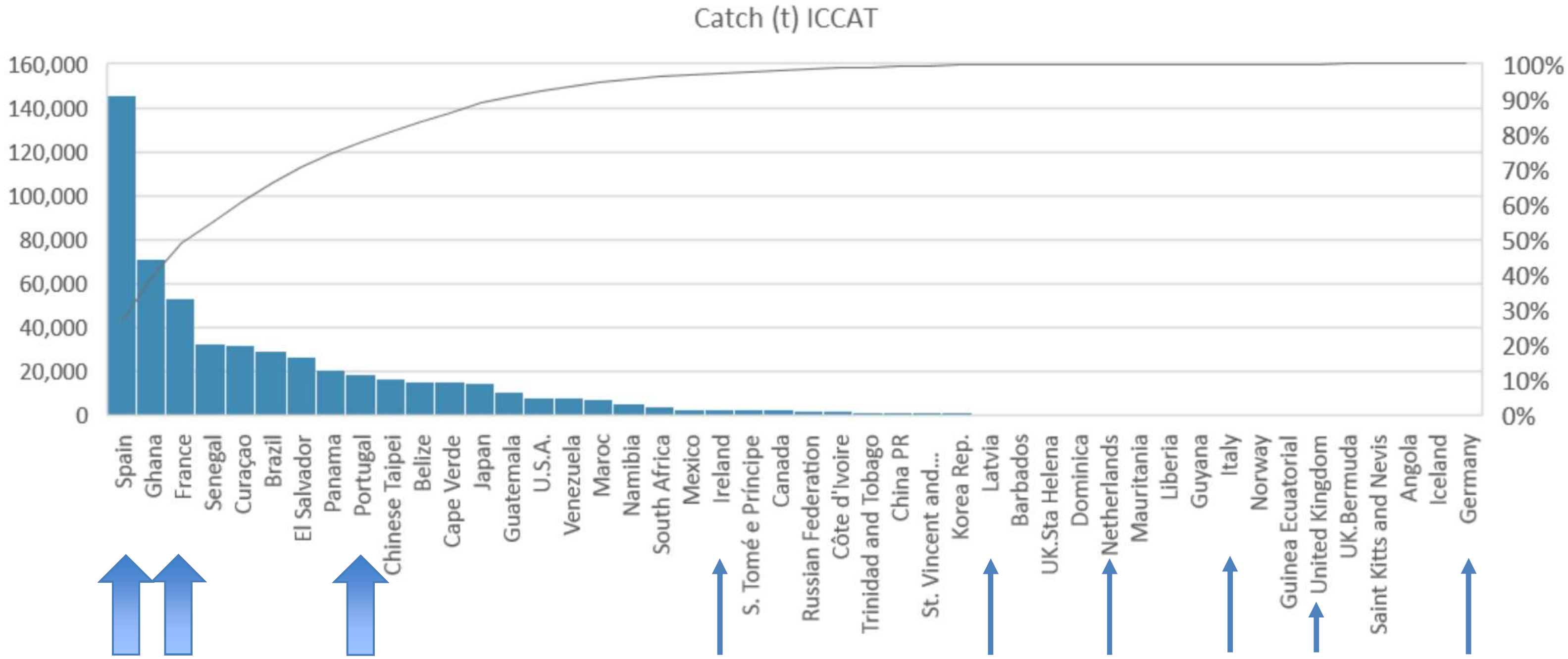
International Commission for the Conservation of Atlantic Tunas (ICCAT)

- EWG decided only fleets > 24 m LOA with high dependency included in analysis.
- At least 60% of fleet’s landed value was taken from the ICCAT RA in 2016.
- Segments included a total of 187 vessels (France, Portugal & Spain).

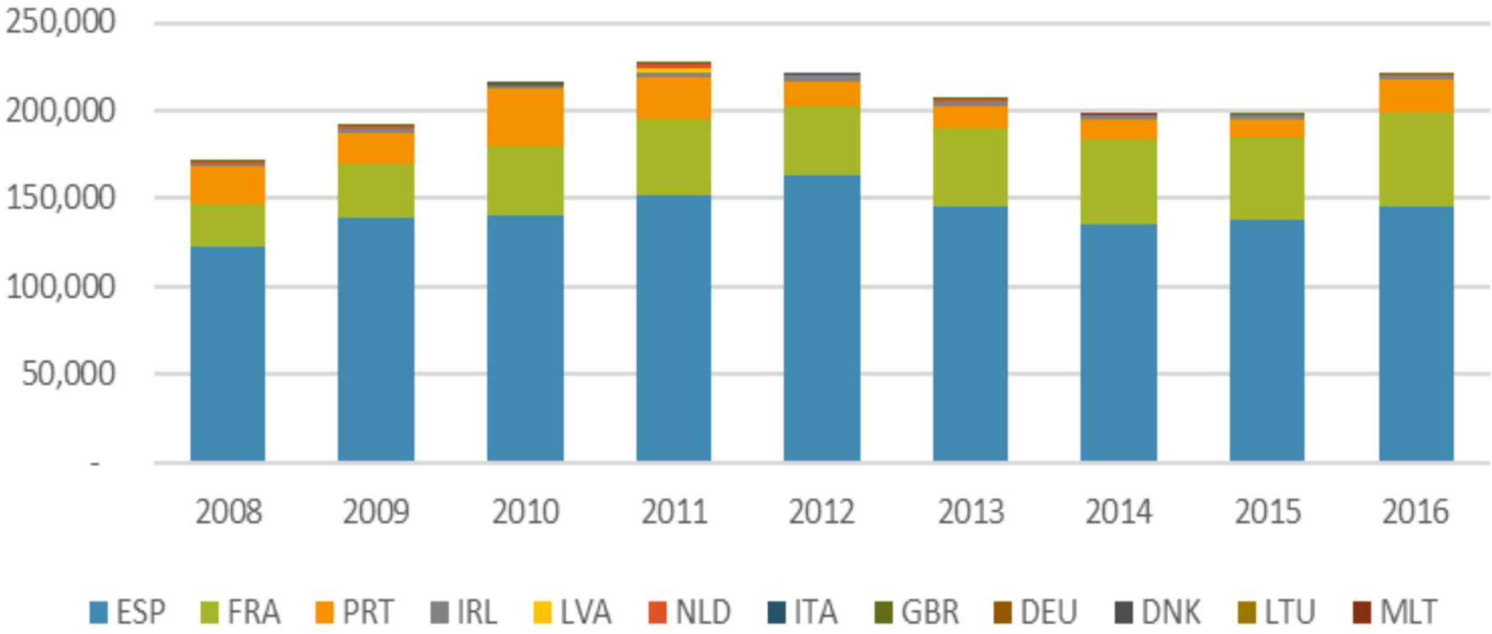
International Commission for the Conservation of Atlantic Tunas (ICCAT)

Fisheries:	20 tuna and tuna-like species or stocks.
Catches:	549,100 tonnes in 2016; EU catches 200,000 tonnes and stable
Fleet:	>187 Vessels; >54,882 GT; >101,062 kW
Effort:	>35,472 Fishing Days
Employment:	>2,865 FTEs
Landings:	>€248 million
Landings/FTE:	€84,442

Catch by Fishing Nation

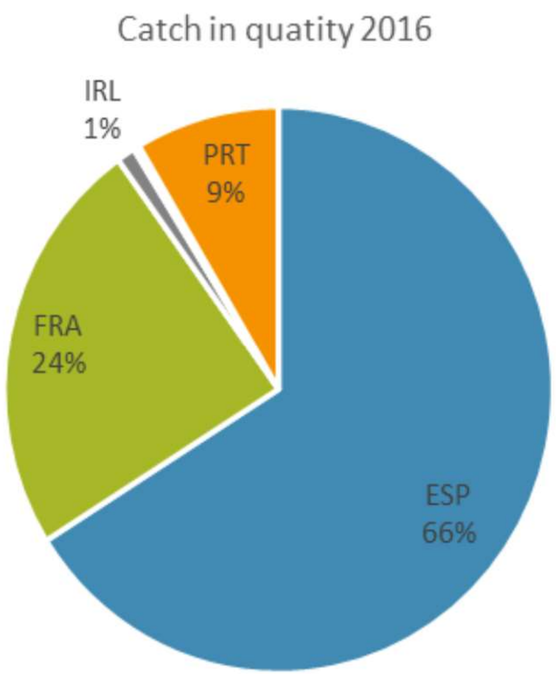


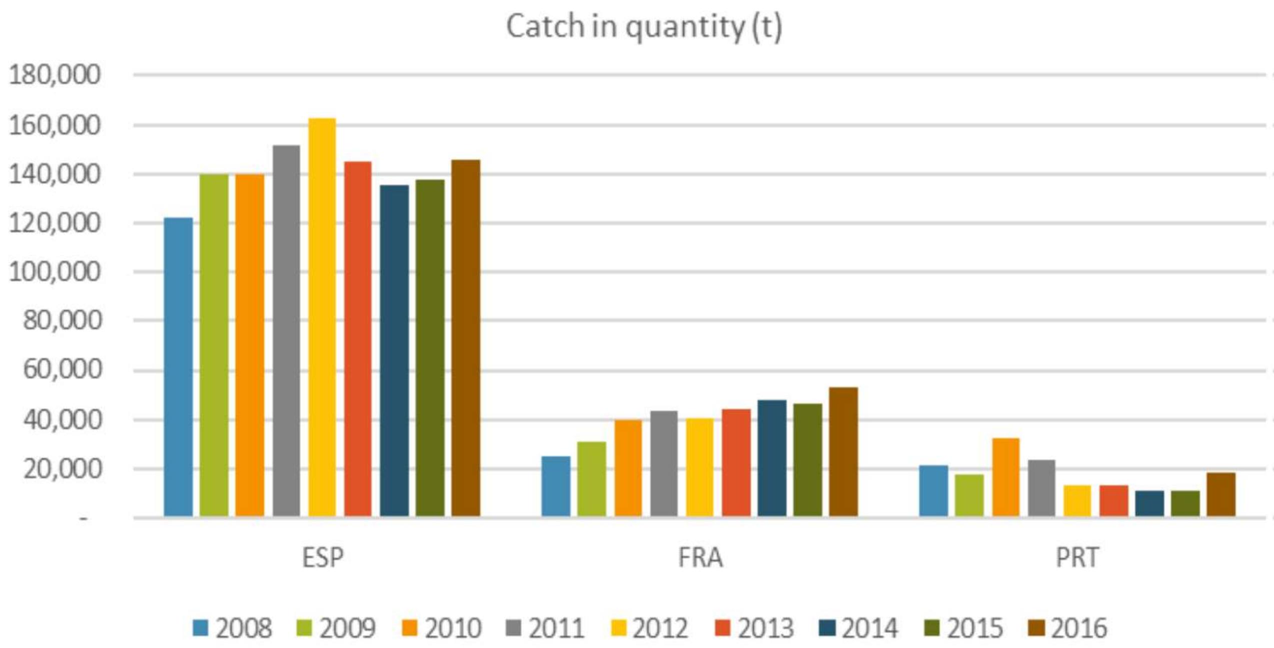
Trends in Total Catch



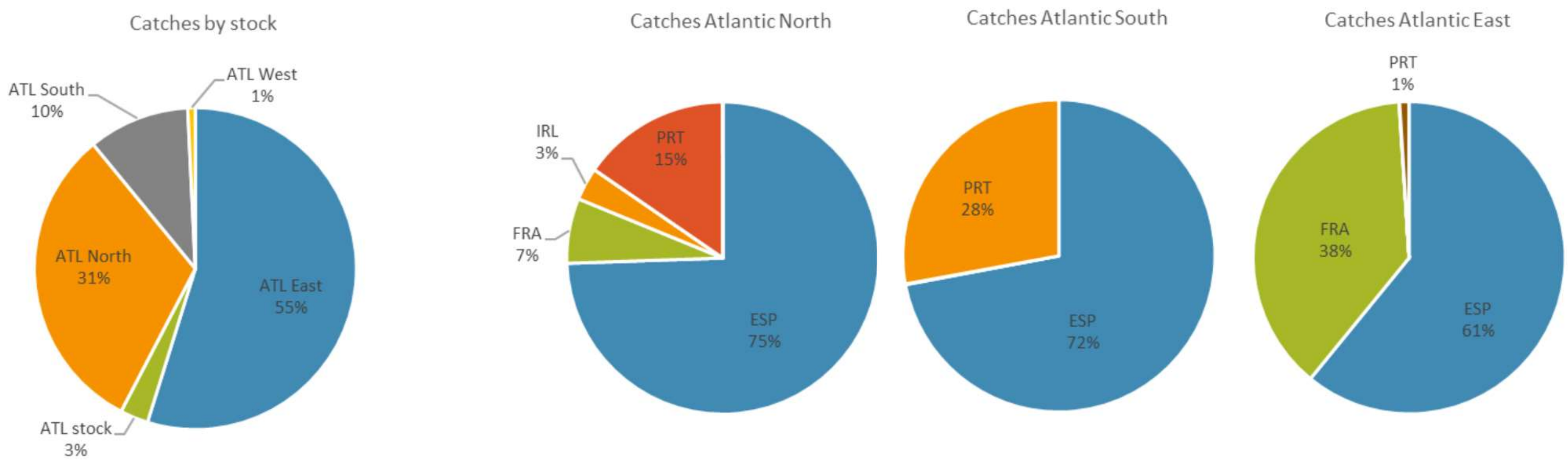
EU MS production levels have remained relatively stable over the period 2008 to 2016, with fluctuations below 15% between years, with the exception of 2008

Trends in Total Catch

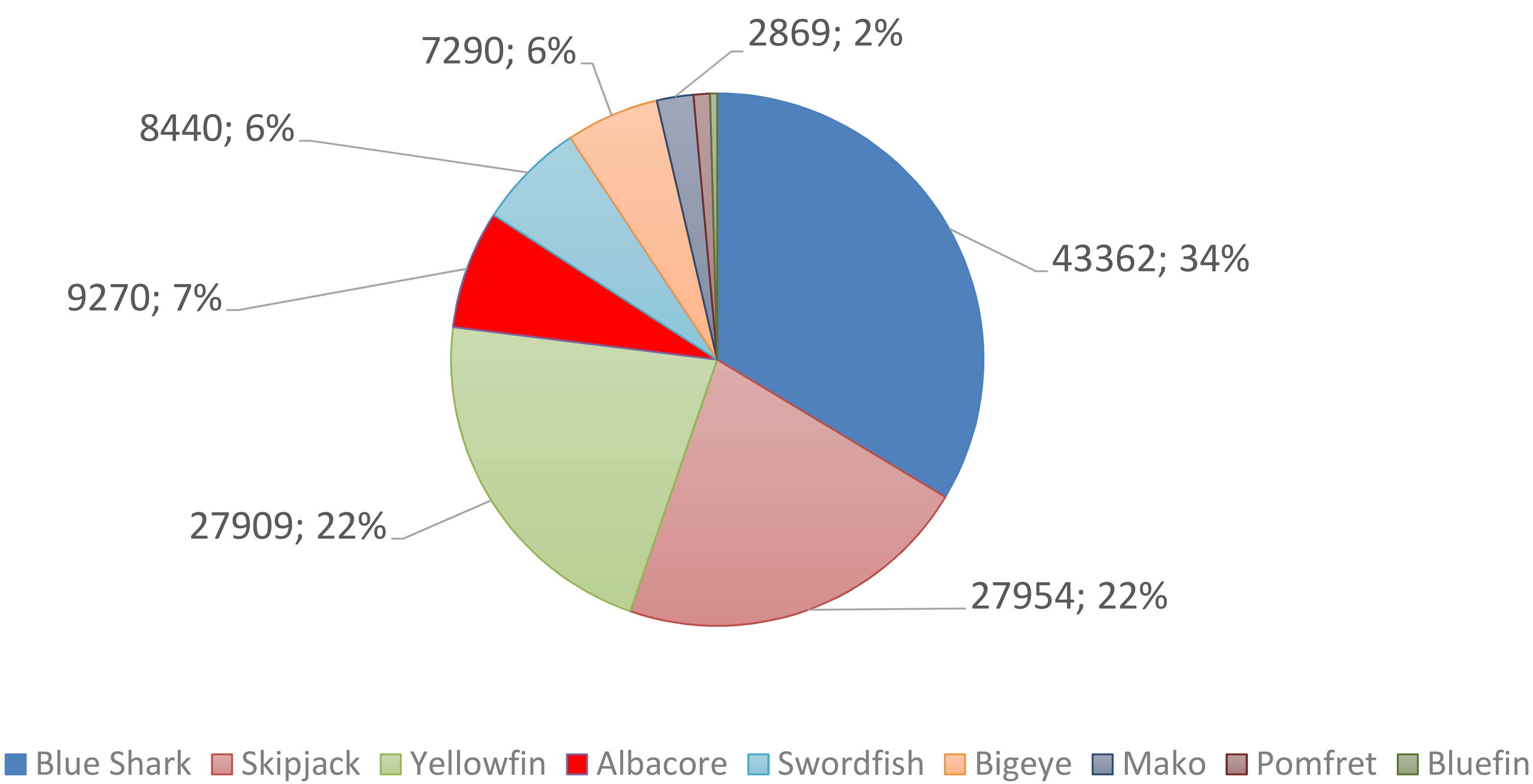




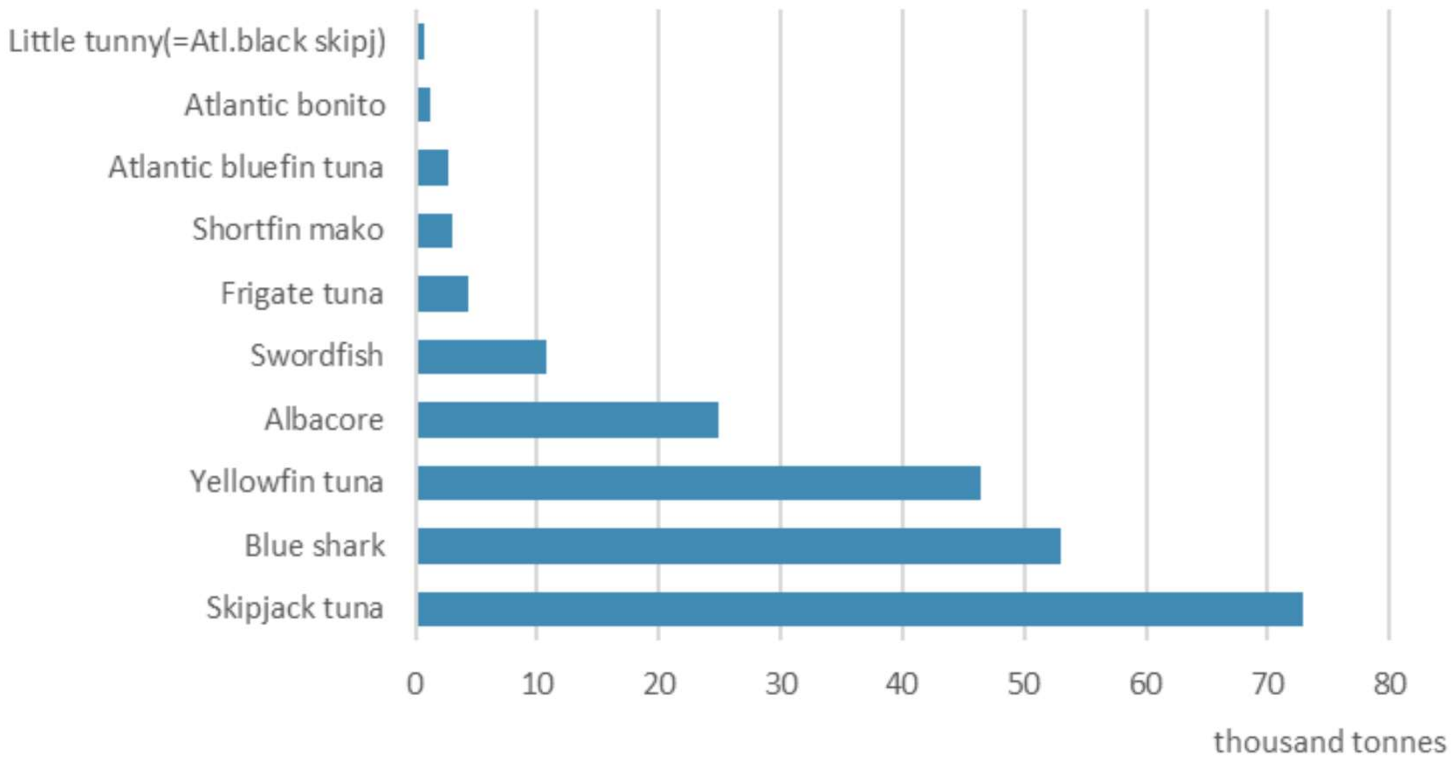
Trends in Total Catch

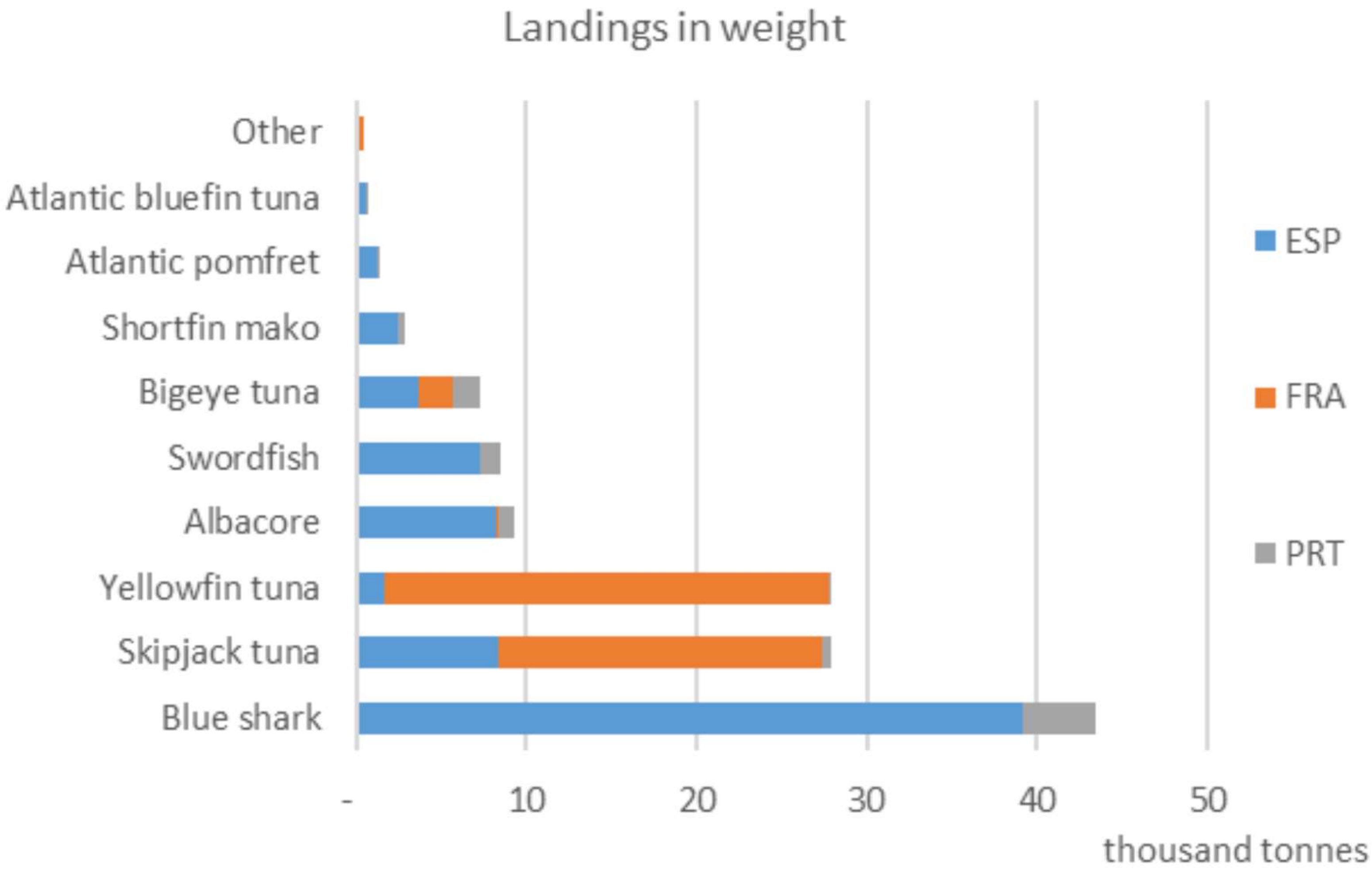


Catch Composition (Tonnes) by Species



ICCAT nominal catches by all EU MS fleets





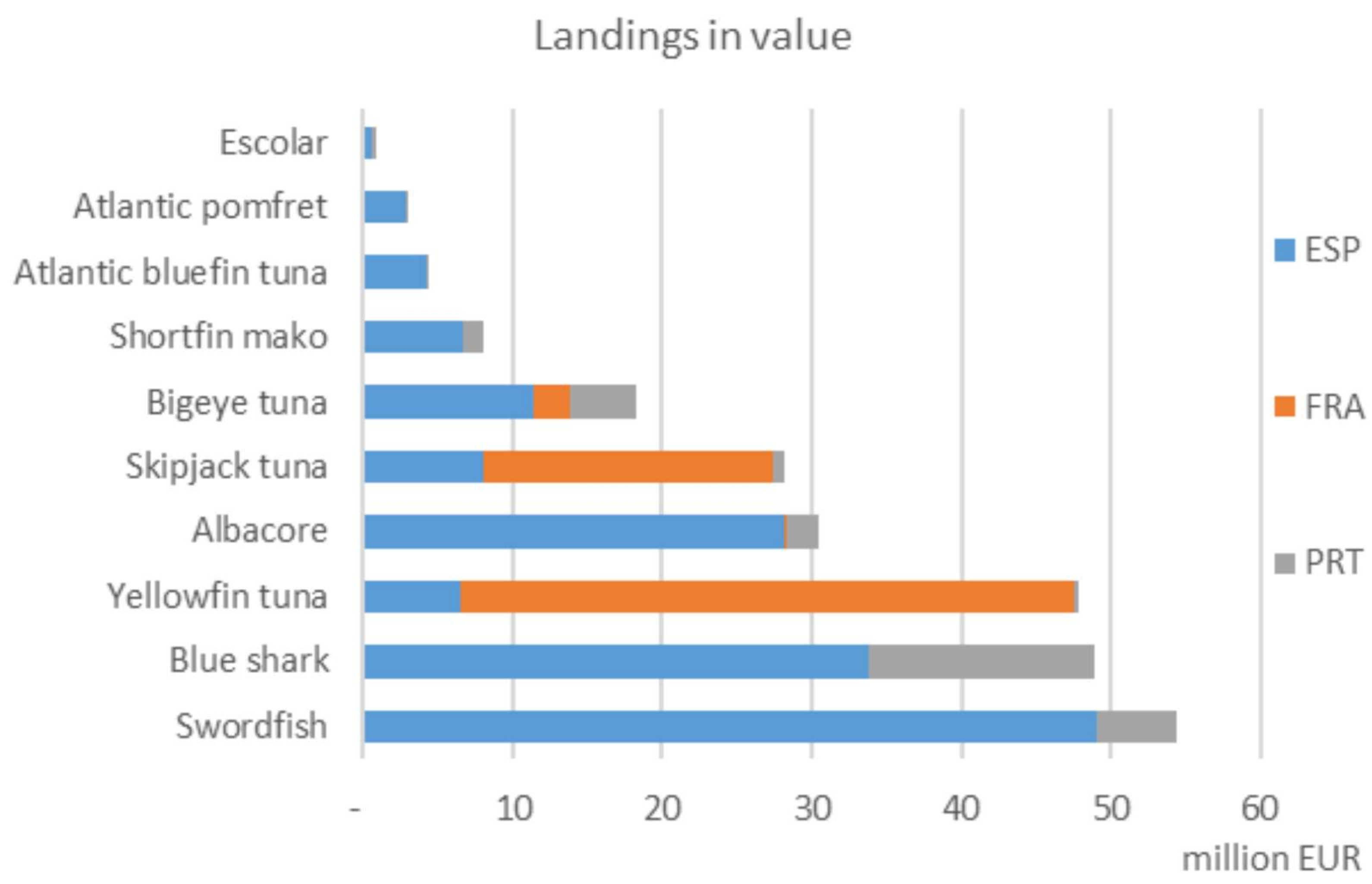
Landings in weight
Other
Atlantic bluefin tuna
Atlantic pomfret
Shortfin mako
Bigeye tuna
Swordfish
Albacore
Yellowfin tuna
Skipjack tuna
Blue shark
-
10
20
30
40
50
thousand tonnes
ESP
FRA
PRT

Landings by species in weight (kg) for the main EU fleets by MS

Species / Country		ESP	FRA	PRT	Total (kg)
Blue shark	BSH	39,104,032		4,257,695	43,361,727
Skipjack tuna	SKJ	8,369,836	19,043,056	541,156	27,954,048
Yellowfin tuna	YFT	1,632,683	26,163,641	112,828	27,909,153
Albacore	ALB	8,260,045	63,779	946,938	9,270,762
Swordfish	SWO	7,314,993	5,190	1,119,817	8,440,000
Bigeye tuna	BET	3,719,608	1,981,396	1,589,118	7,290,123
Shortfin mako	SMA	2,451,506		417,875	2,869,381
Atlantic pomfret	POA	1,273,172		3,832	1,277,004
Atlantic bluefin tuna	BFT	566,031		5,908	571,939

Source: DCF Data and EWG Experts

- Spanish vessels landed 90% of all blue shark (39kt) and albacore tuna (8.3kt), 87% of swordfish (7.3kt), and 51% of bigeye tuna (3.7kt).
- France landed 93% of yellowfin (26kt), 68% of skipjack (19kt), and 27% of bigeye (3.7kt).
- Portugal landed 10% of all blue shark (4.2kt) and 13% of swordfish (1.1kt).

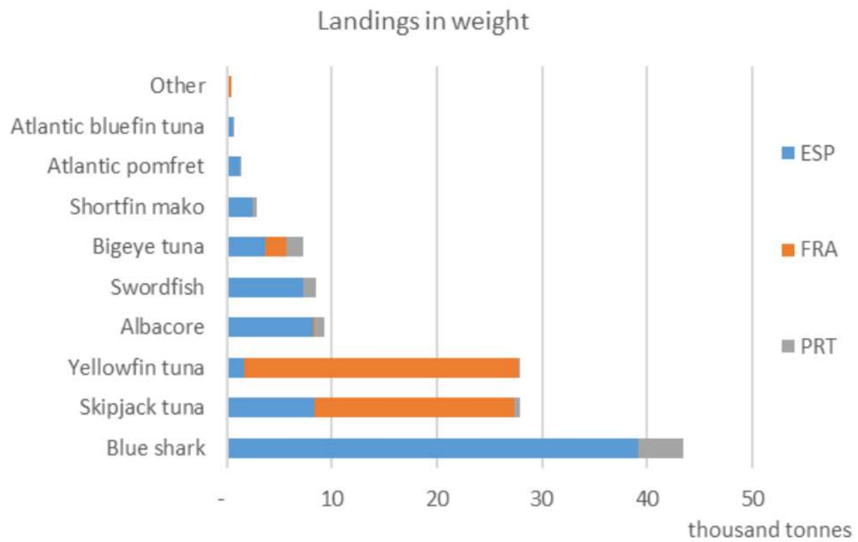


Landings in value
Escolar
Atlantic pomfret
Atlantic bluefin tuna
Shortfin mako
Bigeye tuna
Skipjack tuna
Albacore
Yellowfin tuna
Blue shark
Swordfish
-
10
20
30
40
50
60
million EUR
ESP
FRA
PRT

Landings by species in value (Euro) for the main EU fleets by MS

Species / Countries		ESP	FRA	PRT	Total (EUR)
Swordfish	SWO	49,065,959	5,294	5,314,933	54,386,186
Blue shark	BSH	33,778,228		15,148,527	48,926,755
Yellowfin tuna	YFT	6,463,110	41,076,917	350,568	47,890,595
Albacore	ALB	28,164,670	162,636	2,188,525	30,515,831
Skipjack tuna	SKJ	8,007,024	19,423,917	695,448	28,126,389
Bigeye tuna	BET	11,326,300	2,496,560	4,397,415	18,220,275
Shortfin mako	SMA	6,711,881		1,385,906	8,097,787
Atlantic bluefin tuna	BFT	4,267,693		44,201	4,311,894
Atlantic pomfret	POA	2,874,609		17,602	2,892,211
Escolar	LEC	617,516		192,504	810,020
Atlantic sailfish	SAI	470,847	612	78,959	550,418

Source: DCF Data and EWG Experts



Landings in weight
Other
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Shortfin mako
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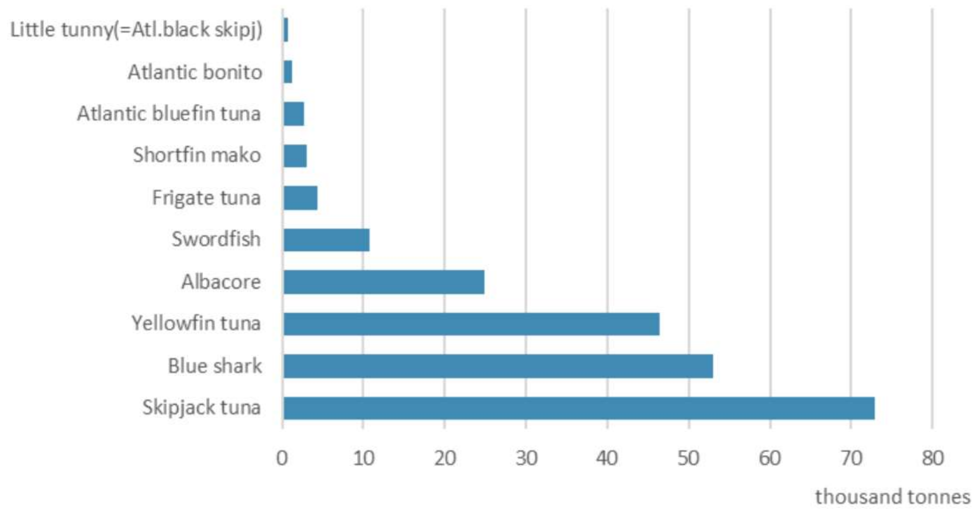
Swordfish
Albacore
Yellowfin tuna
Skipjack tuna
Blue shark
ESP
FRA
PRT
-
10
20
30
40
50
thousand tonnes



Little tunny(=Atl.black skipj)
Atlantic bonito
Atlantic bluefin tuna
Shortfin mako
Frigate tuna
Swordfish
Albacore
Yellowfin tuna
Blue shark
Skipjack tuna
0
10
20
30
40
50
60
70
80
thousand tonnes

International Commission for the Conservation of Atlantic Tunas (ICCAT)

	Revenue (million EUR)	GVA (million EUR)	GVA to revenue (%)	Gross profit (million EUR)	Profit margin (%)
Spain	151.4	76.8	48%	32.2	21%
France	64.3	27.7	43%	7.7	12%
Portugal	32.8	18.3	56%	9.1	28%
Total	248.6	122.8	48%	49.1	20%

- EWG decided only fleets > 24 m LOA with high dependency included in analysis.
- At least 60% of fleet's landed value was taken from the ICCAT RA in 2016.

Capacity, activity and profitability Indicators

Main activity and profitability indicators by MS selected fleet segments, 2016

Note: FRA based on expert data; ESP and PRT based on DCF.

		Number of vessels	Vessel tonnage (GT)	Engine power (kW)	Landings in weight (thousand tonnes)	% of EU landings weight	Landings in value (million EUR)	% of EU landings value	Revenue (million EUR)	GVA (million EUR)	GVA to revenue (%)	Gross profit (million EUR)	Profit margin (%)
Hook and line	PRT OFR HOK2440 P2	6	969	2,943	0.5	0.4%	1.4	1%	2.7	1.5	55%	0.8	29%
	PRT A27 HOK2440 P3*	20	3,146	8,663	2.8	2.1%	7.5	3%	7.6	3.9	51%	0.7	9%
	PRT OFR HOK2440 IWE	8	2,360	4,486	2.9	2.2%	8.9	4%	10.1	5.6	55%	4.0	40%
	PRT A27 HOK2440	16	2,873	5,631	3.0	2.2%	12.5	5%	12.5	7.4	60%	3.6	29%
	ESP A27 HOK2440	32	4,939	12,451	7.5	5.7%	28.6	12%	28.7	22.0	77%	8.8	31%
	ESP OFR HOK2440*	23	4,017	9,747	15.5	11.8%	27.9	11%	25.1	14.1	56%	5.0	20%
Total Hook and line vessels		104	18,305	43,921	32.3	24.5%	86.8	35%	86.7	54.5	63%	22.9	26%
Surface longliners	ESP A27 PGO2440	33	6,831	9,856	19.9	15.1%	31.1	13%	34.0	17.3	51%	6.3	18%
	ESP OFR PGO2440*	39	10,939	14,977	31.1	23.6%	65.4	26%	63.6	23.3	37%	12.2	19%
Total surface longline vessels		72	17,769	24,833	51.1	38.8%	96.5	39%	97.6	40.7	42%	18.4	19%
Purse seiners	FRA PS VL40XX	10	18,807	32,309	48.4	36.7%	64.3	26%	64.3	27.7	43%	7.7	12%
All		186	54,882	101,062	131.8		247.6		248.6	122.8	49%	49.1	20%

Source: Estimated from MS data submissions under the DCF 2018 Fleet Economic (MARE/A3/AC(2018))

Capacity, activity and profitability Indicators

	Revenue (million EUR)	GVA (million EUR)	GVA to revenue (%)	Gross profit (million EUR)	Profit margin (%)
Spain	151.4	76.8	48%	32.2	21%
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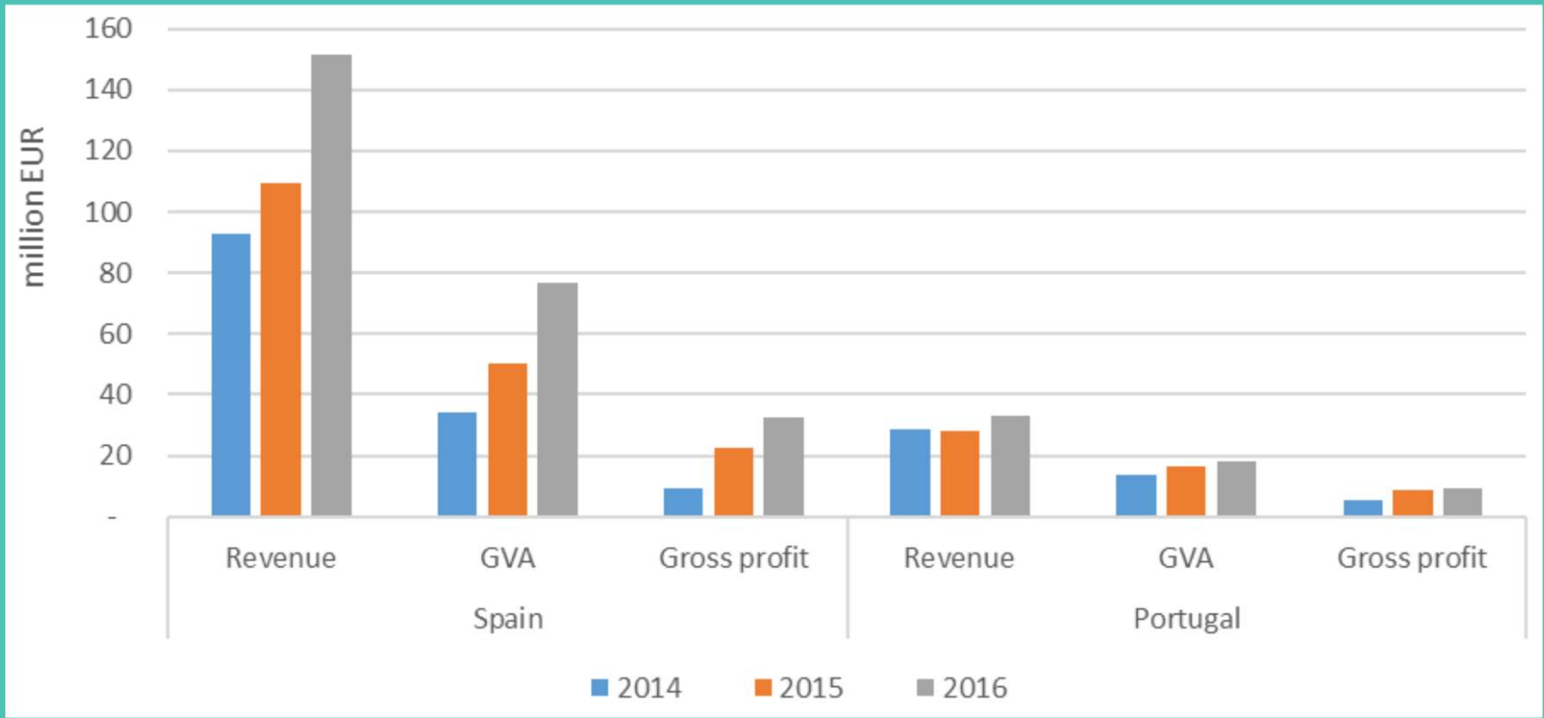
Total	248.6	122.8	48%	49.1	20%

Capacity, activity and profitability Indicators



- The better economic performance (profit margin) reported for hook and line and (to a lesser extent) surface longliners over purse seiners can be partially explained by the higher fuel efficiency of these vessels resulting in lower average fuel consumed per day at sea, and, the average price paid for much of their catch, in particular swordfish and blue shark.

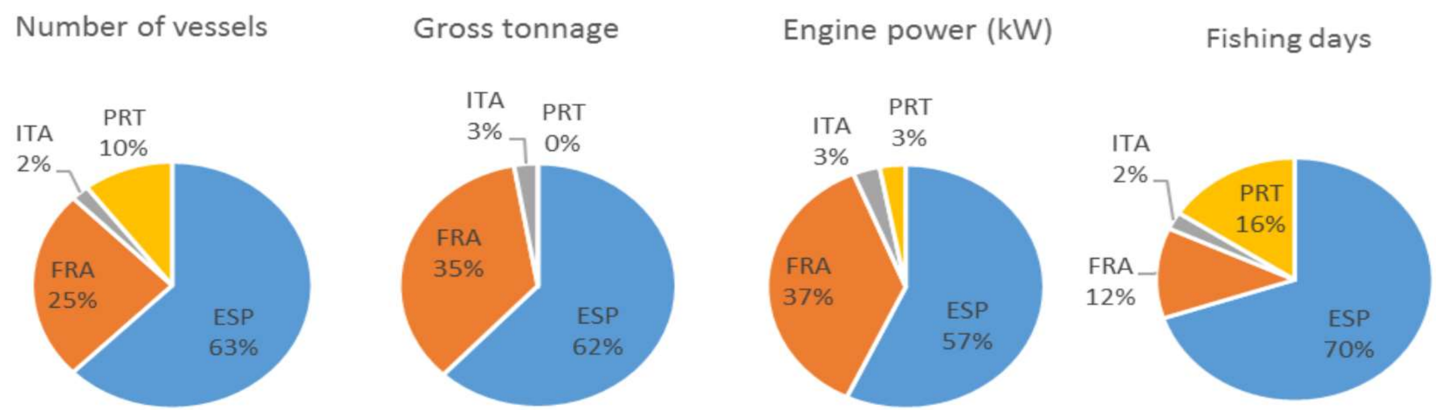
- Both low fuel costs and high average prices (for key stocks) remained relatively stable in 2016 and this has contributed positively to the economic performance of this fleet generally and surface longliners and purse seiners in particular.

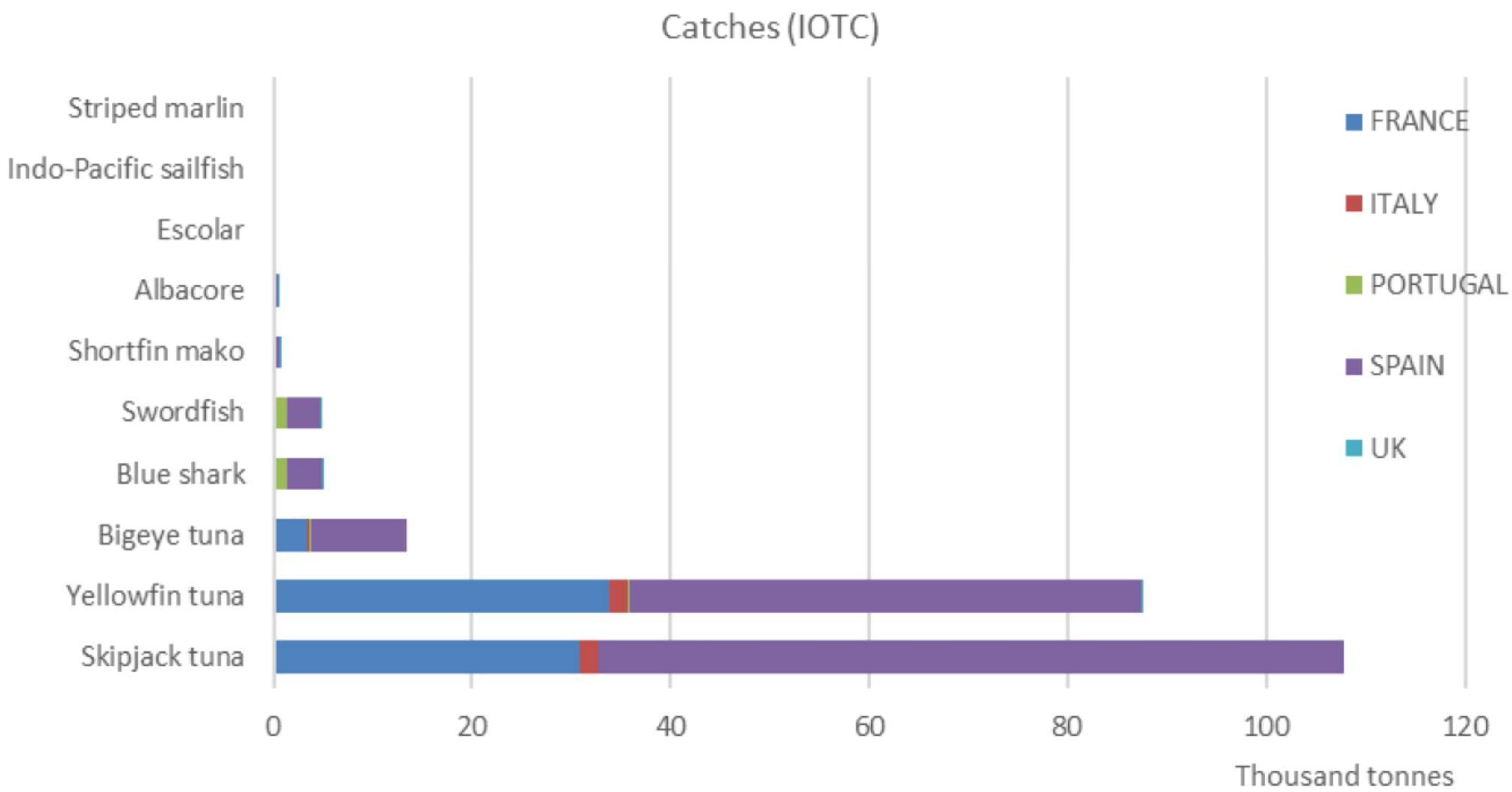
Indian Ocean Tuna Commission (IOTC)

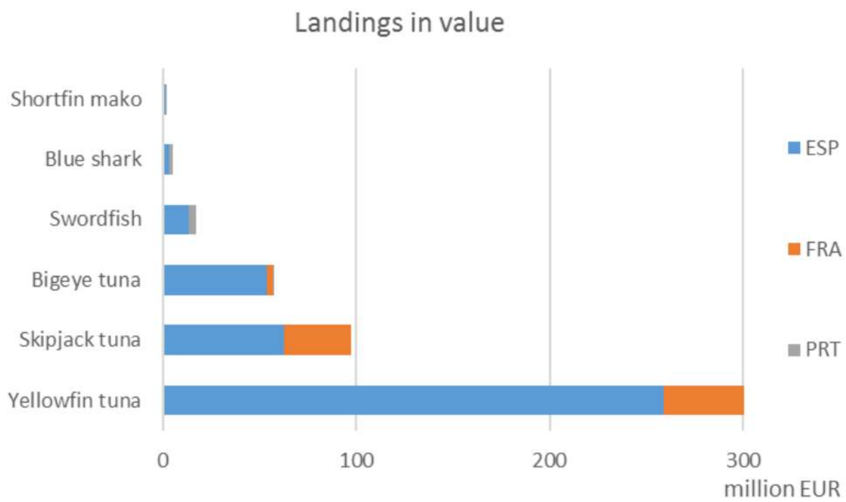
Fisheries:	16 tuna and tuna-like species or stocks.		
Catches:	EU MS catches	220,000 tonnes,	
Fleet:	48 Vessels;	79,505 GT;	117,801 kW
Effort:	8,958 Fishing Days		
Employment:	1,582 FTEs		
Landings:	€364 million		
Landings/FTE:	€230,088		
Main Species	Yellowfin, skipjack, bigeye tuna, swordfish and blue shark.		

EU IOTC Fleet

Member State	IOTC						
Italy	1						
Portugal	5		GT	79,505		Employment (FTEs)	1,582
France	12		kW	117,801		Fishing Days	8,958
Spain	30		kW/GT	1.48		Landings €millions	€364
Total	48		Average GT	1,656		€/FTE	€230,088

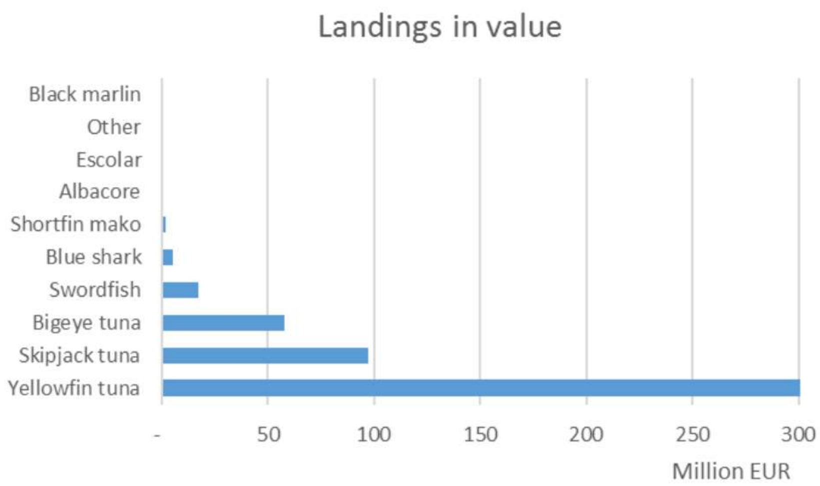



Catches (IOTC)
Striped marlin
Indo-Pacific sailfish
Escolar
Albacore
Shortfin mako
Swordfish
Blue shark
Bigeye tuna
Yellowfin tuna
Skipjack tuna
0
20
40
60
80
100
120
Thousand tonnes
FRANCE
ITALY
PORTUGAL
SPAIN
UK

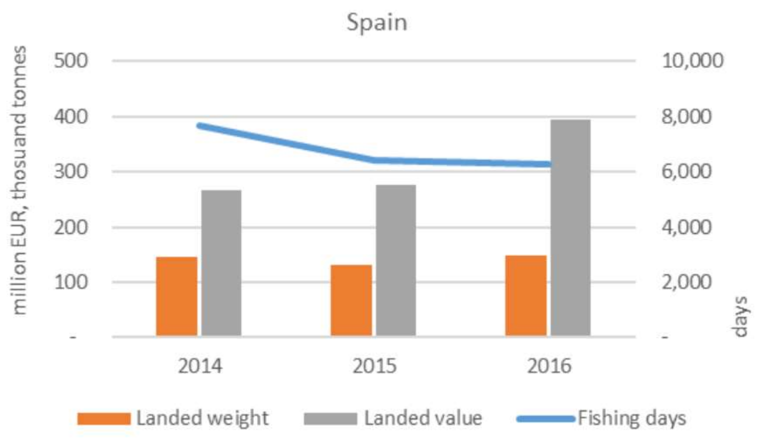


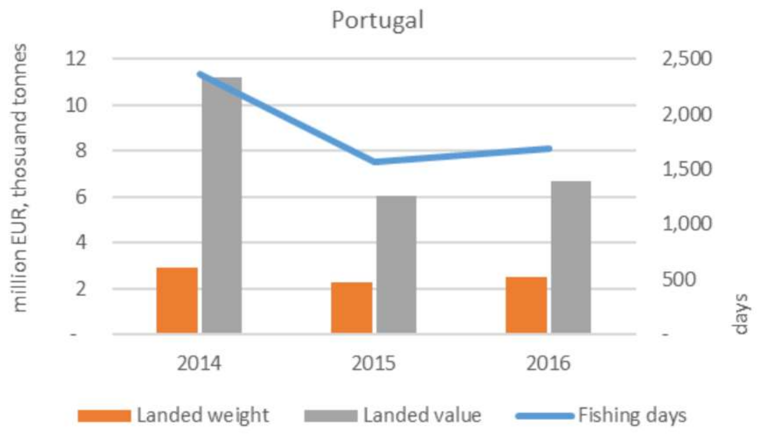
Landings analysed by working group

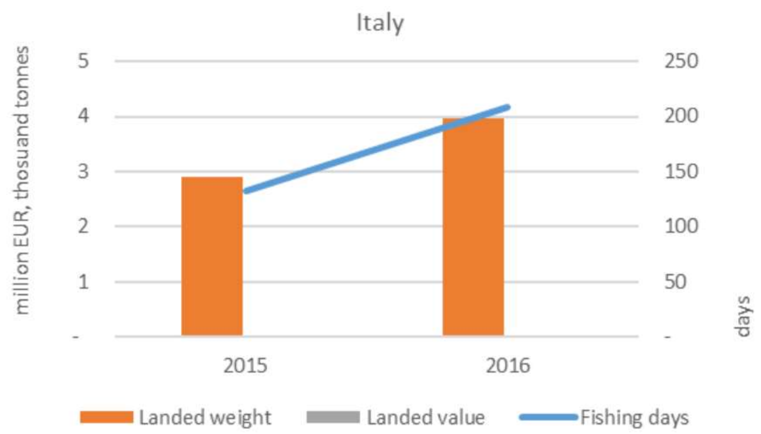
Landings reported to IOTC



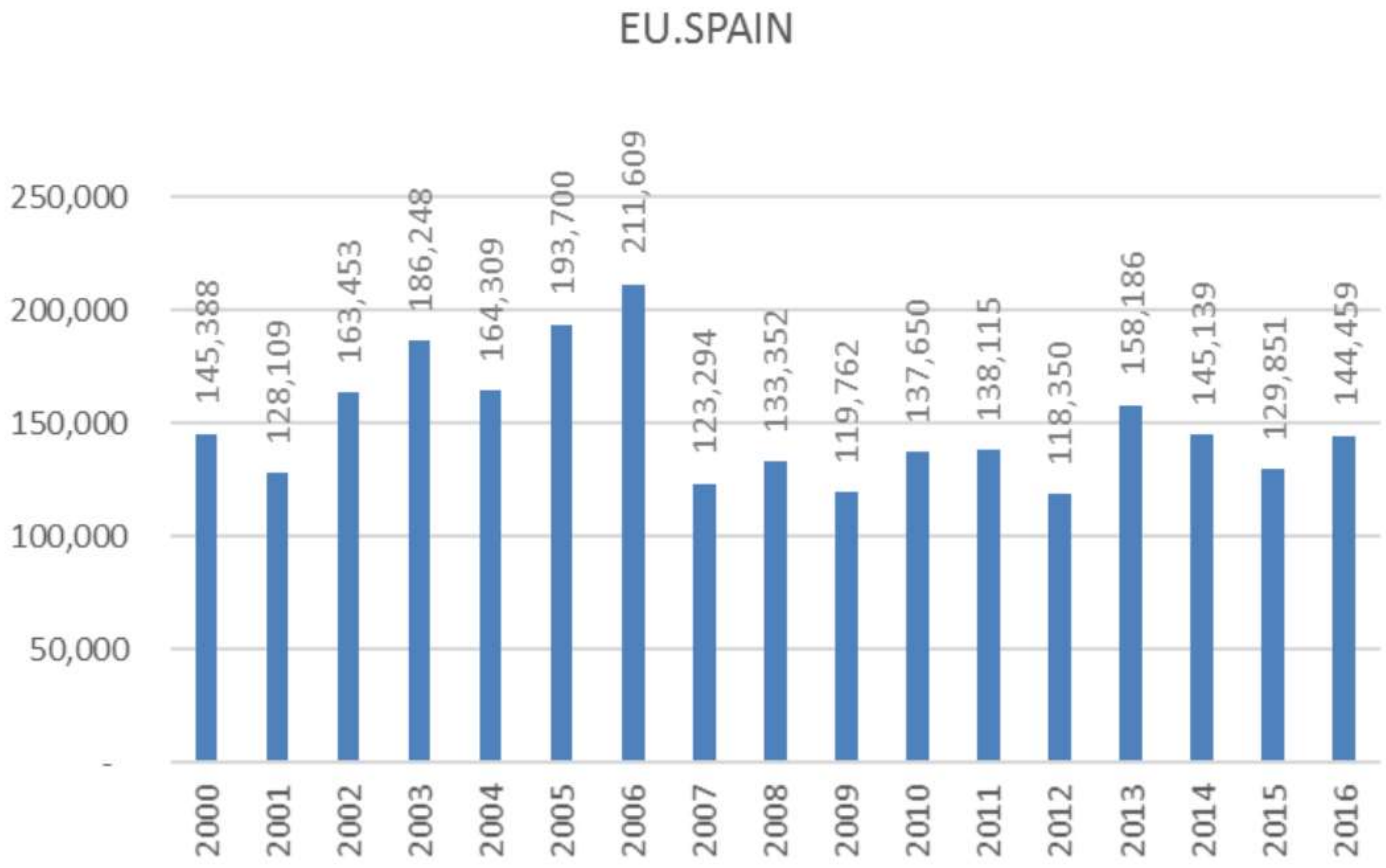
Trends in Fishing Activity and Landings



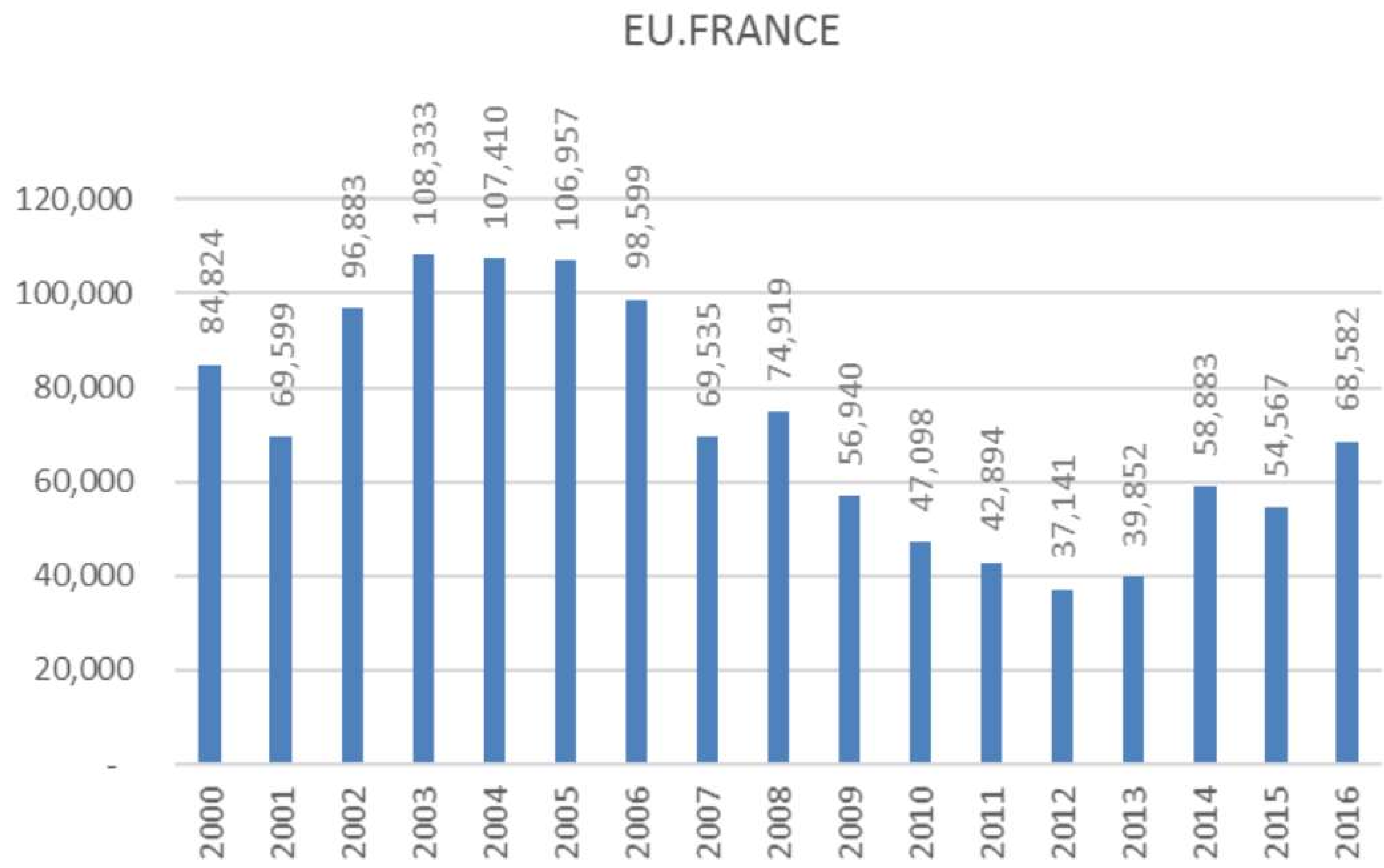




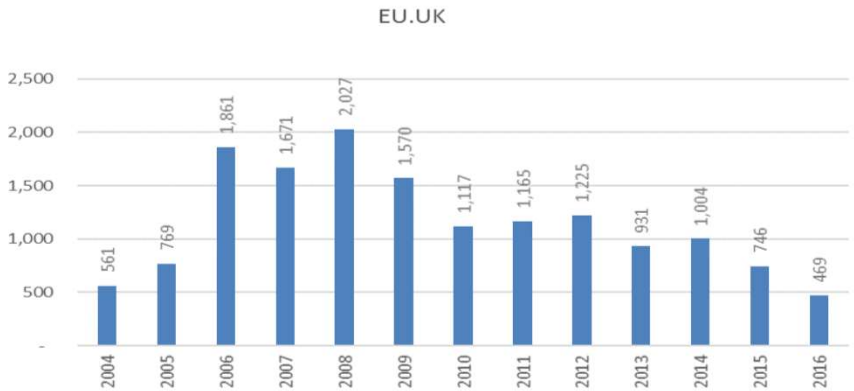
Trends in catch data (t) for the main EU fleets

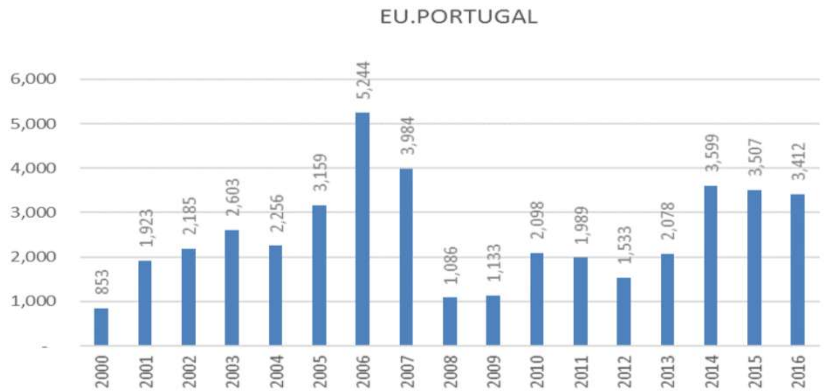


Trends in catch data (t) for the main EU fleets



Trends in catch data (t) for the main EU fleets





Indian Ocean Tuna Commission (IOTC)

	Number of vessels	Vessel tonnage (GT)	Engine power (kW)	FTE (#)	Days at sea [1] (days)	Fishing days (days)	Energy consumption (thousand litres)	Landings in weight (thousand tonnes)	% of EU landings weight	Landings in value (million EUR)	% of EU landings value	Revenue (million EUR)
Spain	30	47,814	67,157	1,168	6,259	6,259	82,466	147.7	67%	272.6	75%	273.8
France	12	27,196	43,383	338	2,156	1,078	27,010	66.3	30%	84.6	23%	84.6
Portugal	5	2,358	3,571	76	1,417	1,413	2,851	1.8	1%	6.7	1.8%	6.70
Italy	1	2,137	3,690	-	237	208	-	4.0	2%	-		-
EU IOTC fleet	48	79,505	117,801		10,069	8,958		220				
EU IOTC fleet [2]	47	77,368	114,111	1,582	9,832	8,750	112,327	216		364		365.1

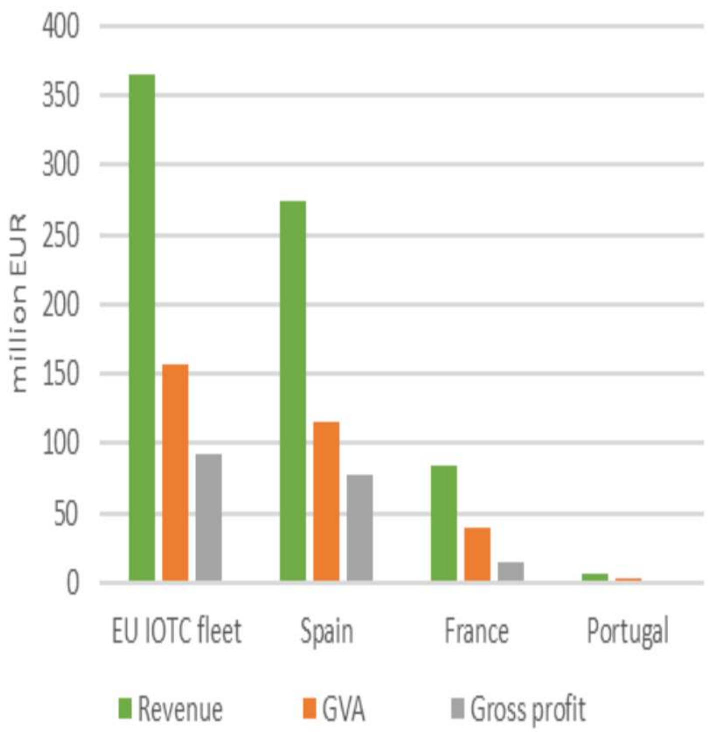
Capacity, activity and profitability Indicators

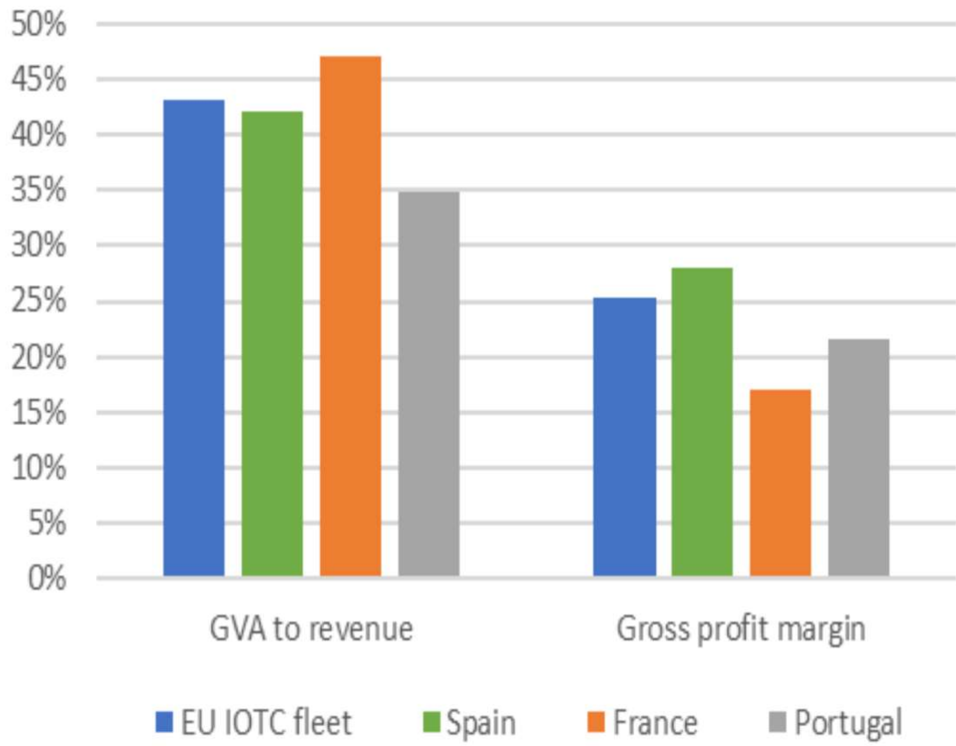
Main capacity, activity and profitability indicators by MS and main type of fishery operating in IOTC, 2016 (based on expert ad hoc data + DCF for ESP)

		No. of vessels	Vessel tonnage (GT)	Engine power (kW)	Total employed (#)	FTE (#)	Days at sea [1] (days)	Fishing days (days)	Energy consumed (K litres)	Landings in weight (K tonnes)	% of EU landings weight	Landings in value (million EUR)	% of EU landings value	Revenue (million EUR)	GVA (million EUR)	GVA to revenue (%)	Gross profit (million EUR)	Profit margin (%)
Purse seiners	Spain	16	42,332	60,113	623	879	2,865	2,865	74,150	140.0	63.7%	252.7	69.4%	253.7	107.9	42.5%	72.7	29%
	France	12	27,196	43,383	199	338	2,156	1,078	27,010	66.3	30.1%	84.6	23.2%	84.6	39.8	47.1%	14.4	17%
	Italy	1	2,137	3,690	-	-	237	208	-	4.0	1.8%	-		-	-		-	
EU IOTC Purse seiner fleet[2]		28	69,528	103,496	822	1,217	5,021	3,943	101,160	206	96%	337	93%	338	147.7	43.7%	87.1	26%
Longliners	Spain	14	5,482	7,045	216	288	3,394	3,394	8,316	7.7	3.5%	20.1	5.5%	20.1	7.6	37.6%	4.1	20%
	Portugal	5	2,358	3,571	-	76	1,417	1,413	2,851	1.8	0.8%	6.7	1.8%	6.70	2.34	34.9%	1.4	22%
EU IOTC longliner fleet		19	7,840	10,615		364	4,811	4,807	11,167	10	4.4%	27	7%	27	9.9	36.9%	5.6	21%
EU IOTC fleet		48	79,505	117,801			10,069	8,958		220								
EU IOTC fleet[2]		47	77,368	114,111	1,037	1,582	9,832	8,750	112,327	216		364.1		365.1	157.6	43.2%	92.7	25%

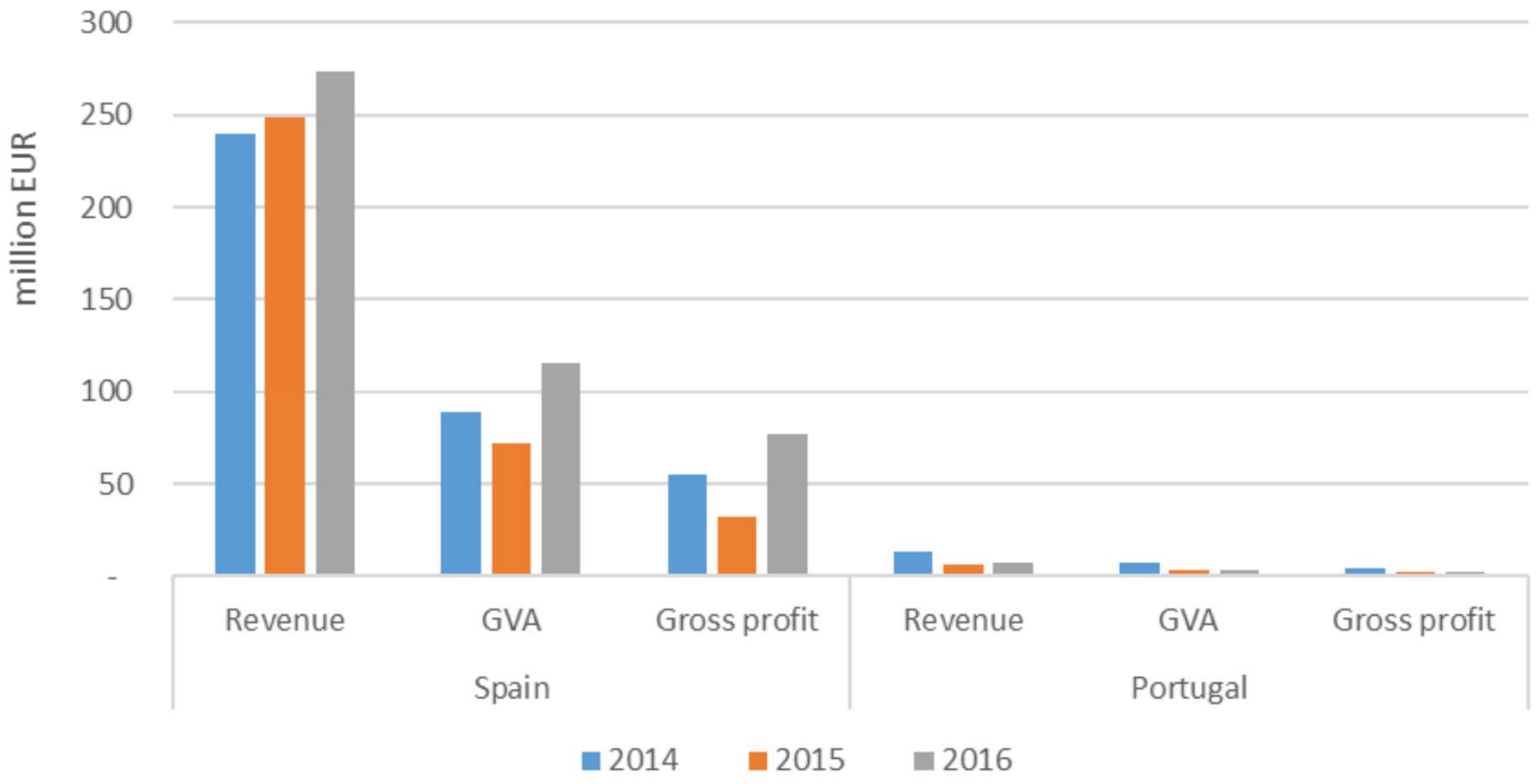
1 DAS not available for ESP.
2 Excludes the Italian vessel due to insufficient data
Note: Where significant differences between the value of landings and income from landings are observed for Spain, income from landings is used instead of value of landings.
Source: Estimated from MS data submissions under the DCF 2018 Fleet Economic (MARE/A3/AC(2018))

Capacity, activity and profitability Indicators





Capacity, activity and profitability Indicators

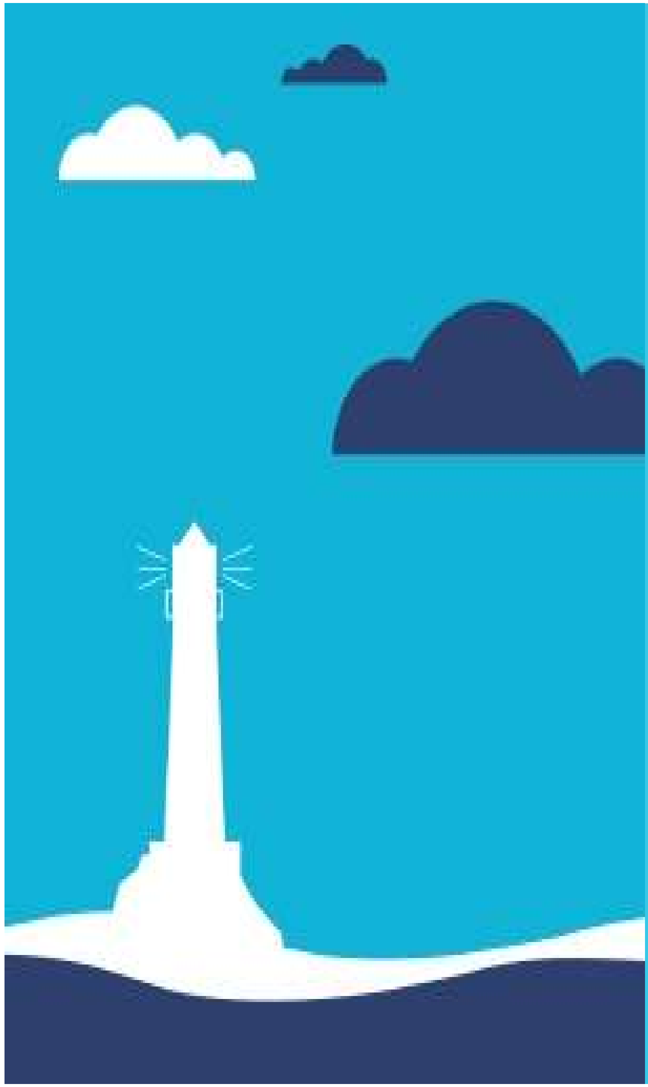


Performance by Fleet Segment

- All segments made a gross profit in 2016;
- Profit margins 17% or higher.
- Spanish purse seiners (>40m) had the highest landed value €252.7 million
  French purse seiners €84.6 million
  Spanish longliners €20.1 million.

- The combined Spanish longliner fleet generated EUR 4.1 million in gross profits in 2016.

- The Spanish purse seine over 40m segment obtained the highest profit margin (29%), followed by the Spanish longliner segment over 40m and then then Portuguese longliner fleet (22%).



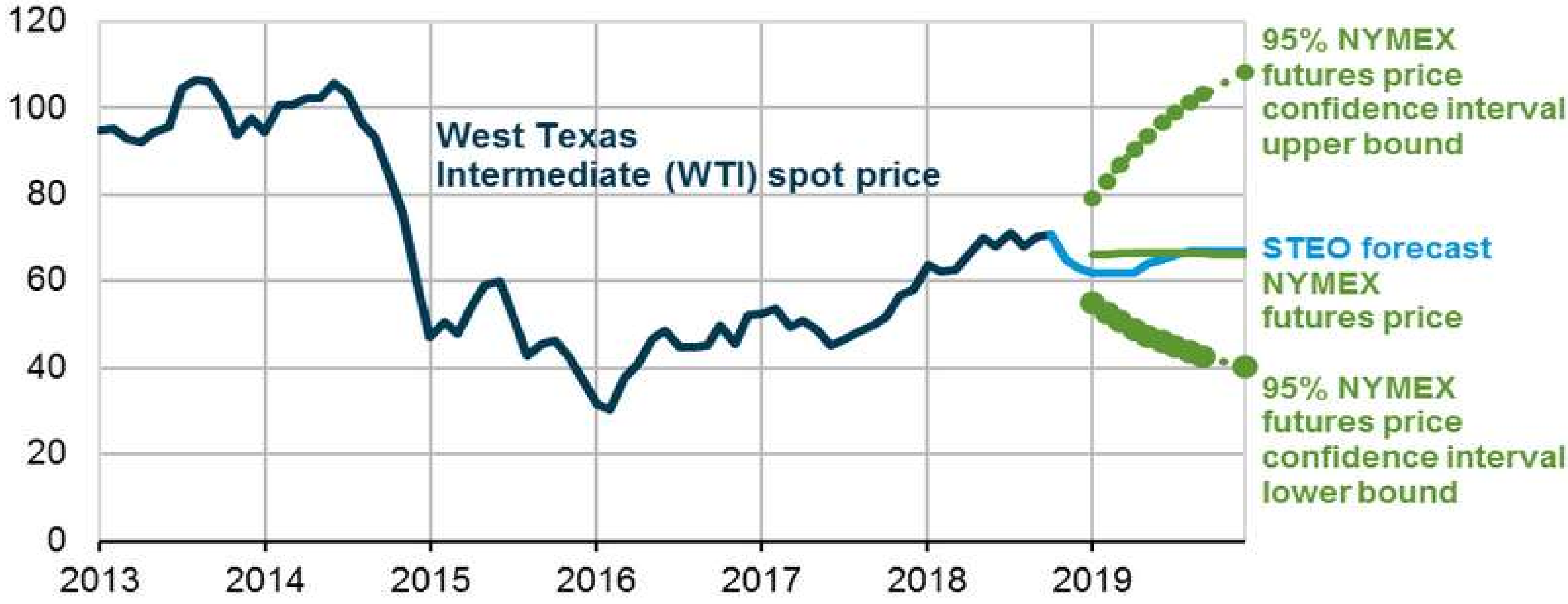
Performance Indicators

Most long distance fleets generated profit in 2016,

- EU NAFO Fleet 39% Gross
- EU ICCAT Fleet 20% Gross
- EU IOTC Fleet 25% Gross
- NEAFC 8% – 40% Gross
- CECAF 8% – 40% Gross

- A considerable amount of work done in 2018 reorganizing this section of the report.
- The result is a much more ‘user friendly’ document.
- Still significant data issues, and some member states remain reluctant to present information for small fleets.
- Detailed data is not yet available for many and this causes problems disaggregating results

West Texas Intermediate (WTI) crude oil price and NYMEX confidence intervals
dollars per barrel



Note: Confidence interval derived from options market information for the five trading days ending Nov 1, 2018. Intervals not calculated for months with sparse trading in near-the-money options contracts.

Source: Short-Term Energy Outlook, November 2018, and CME Group