FISHERY COUNTRY PROFILE	Food and Agriculture Organization of the United Nations	FID/CP/UK April 2004
PROFIL DE LA PÊCHE PAR PAYS	Organisation des Nations Unies pour l'alimentation et l'agriculture	
RESUMEN INFORMATIVO SOBRE LA PESCA POR PAISES	Organización de las Naciones Unidas para la Agricultura y la Alimentación	

THE UNITED KINGDOM

GENERAL ECONOMIC DATA

Area:	aproximately 241 000 km²
Shelf area (to 200 m) about [1] :	approximately 486 000 km²
Length of coastline [2] :	10 500 km
Population (2001):	58,789,194
GDP at purchasers' value [3] (2003):	US$ 486,937 million
PCE *per caput* (2003):	US$ 21,077
Agricultural GDP (2003):	US$ 177.7 million

FISHERIES DATA

Commodity balance (2002):

	Production	Imports	Exports	Total supply	Per caput supply
	'000 tons liveweight				kg/year

Fish for direct human consumption	636.8	620	388	868.8	15.6
Fish for animal feed and other purposes (2001)	38.7	234.7	13.7	259.3	

Estimated employment:	
Primary sector(2002):	10,524 regular and 2,222 partially employed
Secondary sector (2000):	22,255 regularly employed
Gross value of fisheries output, including aquaculture ex-vessel prices (2002):	US$ 1,037.9 million
Trade (2002):	
Value of imports:	US$ 2,547 million
Value of exports	US$ 1,359 million

STRUCTURE AND CHARACTERISTICS OF THE FISHING INDUSTRY

Marine fisheries

In 2002 the fishing industry in the UK had 7033 fishing vessels, with a further 560 vessels registered in the Channel Islands and the Isle of Man. The sector supports over 12,000 direct jobs resulting in £800-1,200 million of economic activity in the UK. Some 686 000 tonnes of sea fish were landed into the UK and abroad by the UK fleet with a total value of £546 million. Around 75% of UK demand is met through imports, with some £344 million of fish imported in 2002. Around 50% of UK catch (by value) is exported. The UK has a substantial fish processing industry of around 530 businesses which employ some 22,500 people. At the retail level there were approximately 1,400 fishmongers in the year 2002. Some of the species caught by UK fishing vessels find a better market abroad and these species are usually exported or landed directly abroad. In 2002, UK vessels landed directly into non-UK ports 220,000 tonnes of sea fish with a value of £131 million. Pelagics dominate these landings, with around half of all such landings being mackerel.

The total quantity of fish landed by the UK fleet into the UK has decreased steadily since 1998 but rose from 458 in 2001 to 466,000 tonnes in 2002. The value of landings fell from £423 to £415 million. Of landings into the UK by the UK fleet demersal species represented 38 percent of total landings by the UK fleet in terms of quantity and 48 percent in terms of value. Pelagic species accounted for 34 percent of landings by quantity but only 11 percent by value, and shellfish for 28 percent quantity and 39 percent value.

Scottish registered vessels accounted for 65 percent of the weight and 60 percent of the

total value of total landings by the UK fleet. English and Welsh vessels accounted for 30 percent of the quantity and 34 percent of the value of the total, whilst Northern Ireland vessels represented 5 percent by quantity and 5 percent by value.

The most valuable species was nephrops at US$ 123.2 million, followed by mackerel (US$ 76.4 million) and cod and haddock (US$ 62.65 million each). The northern North Sea, which accounted for 28% in value of fish caught, was the most important fishing ground. This was followed by western Scotland (25%), the central North Sea and English Channel (11% each). In terms of the significance of landing ports, Peterhead, with landings worth US$ 59.8 million, was largely ahead of the next group of Fraserburgh, Lerwick (each with landings of approximately US$ 51.9 million) and Scrabster (US$ 39.4 million).

Three quarters of the 7,033 UK registered vessels in 2002 were under 10 metres in overall length. Fleet numbers have declined by 13% over the preceding 6 years, resulting in a fall of 11% in tonnage capacity, which currently aggregates at 237 491 GT. Among vessels of over 10 metres, 827 (128,234 GT) were registered in Scotland, and 919 (86,574 GT) in England, Wales and Northern Ireland. Over 50% of this fleet is over 20 years old, with approximately 14% being under ten years old and 33% under twenty years in age.

Inland fisheries

Most UK inland waters are exploited for recreational purposes and contribute little to domestic food supplies. There is little commercial exploitation of inland waters other than eel fisheries and limited salmonoid fisheries.

Eel fisheries are probably the most valuable commercial inland fishery in England and Wales. They are primarily exported to Europe and Asia for consumption with a small number of glass eels of disease-free status sent to Scandinavia and other areas for restocking. Some yellow and silver eels are sold locally for smoking and to restaurants. Incomes and export values have declined as a result of declining stocks, falling demand, competition from farmed eels and cheap imports. Following a peak of around £2.5 million in 1997, export values have declined to around £500,000 in 2000. Estimated average purchase price is now £1-2/kg, similar to purchase values in the early 1980s.

Commercial salmonoid catches have declined throughout the UK as fishing rights are increasingly bought out by recreational fishermen. In 1988 the total net economic value of commercial salmon fishing in England, Wales and Scotland was estimated to be between £9.2 million and £16.9 million. This estimate has not been updated but catches and employment has declined since.

Aquaculture

Aquaculture forms an increasingly important part of the UK seafood industry but faces strong competition from imports. Most of the UK aquaculture industry is based in Scotland, with just under 2,000 direct jobs and 8,000 in supporting sectors. Aquaculture is typically considered an important source of employment given the remote locations of some sites.

The Scottish industry in particular has experienced considerable structural changes since its inception. In 2000, there were 90 companies (compared to 120 in 1995) and, of these, 15 accounted for 74% of production. Production in 2002 was some 145,000 tonnes of salmon, over 5,000 tonnes of rainbow trout, and over 3,000 tonnes of cultivated shellfish, worth some £275 million. Welsh aquaculture production is worth £3.6 million per annum and employs 100 people. Production stands at around 800 tonnes for finfish and 6,000 tonnes for shellfish.

There is also limited production of other species, such as carp and brown trout, with new species such as turbot, halibut, cod and Arctic char emerging in the market. Competition from Norway and Chile has lowered salmon prices in recent years, prompting a move towards diversification into other species.

Molluscan shellfish production was aproximately 25,000 tonnes in 2001. Mussels are the main species produced, together with oysters and clams. There are increasing efforts to farm scallops.

Utilization of the catch

Market breakdown by species (all fish) 2002 by volume and value:

	Quantity		Value	
	'000 tonnes	%	US$ million	%
Demersal	235.8	43.8	476	54.3
Pelagic	169.8	31.6	103.6	11.8
Shellfish	132.3	24.6	297.5	33.9
Total	537.9		877.3	

Market breakdown by form (all fish) 2003:

	Value US$ million	Volume (tonnes)
Frozen	1,864,938.4 (59%)	137,734 (49%)
Chilled	1,286,406.8 (41%)	142,216 (51%)
Total	3,151,345.1	279,950

Food service breakdown by outlet (all fish) 2004 by volume:

Fish & chip shops	33 %
Restaurants	25 %
Cafes	8 %
Clubs/leisure	4 %
Pubs	18 %
Hotels	12 %

71.8% in volume and 70.5% in value, excluding canned produce, was sold through supermarkets. Fish is also consumed in restaurants and in take away form, from fish and chip shops (see table above). A small proportion of the catch is used to make fish oils and animal feeds. Fishmeal and oil production derives from small quantities of fish withdrawn from auction under price stabilization arrangements, together with spoilt fish and offal from fish processing.

Demand for fish in the UK has been increasing slowly but steadily over the past ten years. Total household expenditure was £2.4 billion in 2002, up from around £1.7 billion in 1993. The average person in the UK consumed 160g of fish per week in 2002 − an annual increase of 1.3% since 1993. Expenditure on fish products as a proportion of the food wallet has remained steady at around 4% over the last ten years.

Retailers report increasing consumer resistance to whole fish, especially for smaller flatfish where processing options may be more limited. While there will continue to be a place for wetfish on the market, this sector is continuing to lose market share (currently less than 25%) to processed and frozen product. More generally, the foods that are succeeding are those that can match people's needs, particularly in terms of light meals, easy meals, quick meals and snacks. These trends will fuel demand for quality, highly fresh fish which forms the base for premium chilled products (eg fresh fish portions) which compete with

other ‘healthy’ proteins (eg chicken or pork) and are the fastest growing section of the UK market.

State of the industry

The economic situation across the UK fleet is currently very mixed. Poor stock levels and increased competition from imports in the whitefish sector has reduced landing volumes and has lowered prices significantly. The pelagic and shellfish sectors, with good economic and stock levels, are currently healthy. The whitefish sector (cod, plaice, haddock, etc) however is suffering from low stocks due to over-fishing, possibly combined with adverse environmental factors[4]. The industry has some highly cyclical characteristics, driven both by the underlying volatility in stocks as well as the economic incentives to over-fish and over-capitalise.

Larger UK processors not dependent on domestically caught whitefish are doing reasonably well, though further consolidation is likely as smaller processors face cost and supply-chain pressures.

Thirteen per cent of stocks (by value) to which the UK has access in EU waters are classified as being in danger while another 23% can be considered at risk. These stocks are concentrated in the whitefish sector and have highly skewed age structures, making them volatile and unpredictable from year to year.

The fishing industry has a large negative impact on the wider marine environment, including habitat quality and populations of other marine species (eg mammals), but faces looser environmental controls than other marine users eg the oil and gas industry, offshore wind farms.

Despite promising reforms, the UK Prime Ministers Strategy Unit considers the UK and EU fisheries management system to be lagging behind global best practice and so currently unable to ensure sustainable long-term management of stocks. The UK spends significant public funds on managing the fishing industry £90-100 million in 2002 compared to gross industry operating profits of approximately £130 million.

The Prime Ministers report concluded that the problems with UK and EU management stem from perverse incentives generated from the interaction of the whole system, rather than from a single problem either at the EU or UK level. Low levels of compliance are endemic throughout the EU, including in the UK. These are often driven by economic and institutional factors, so requiring more than increased enforcement measures alone.

There is over capacity in the UK whitefish fleet because of declines in stocks and heavy investment during the 1970s and 1980s fuelled by government subsidies. All sectors of the fishing industry remain vulnerable to future damaging ‘boom and bust’ investment cycles, even in the absence of government subsidies.

Eel recruitment in England & Wales has declined significantly to just one per cent of peak historic levels. This mirrors changes seen elsewhere in Europe. Over the past two decades, catch data from across Europe show glass eel populations declining rapidly from the high levels of the 1970s. A National Eel Management Strategy has been developed, which includes stocking eels and elvers into suitable river catchments together with reductions in fishing effort. In the case of salmon and sea trout, stocks are in a seriously depleted state, although there are improving trends in some parts of the country.

Economic role of the fish industry

In 2001, there were over 14,000 fishermen in the UK of which 45% were in Scotland, 51% in England and Wales and 4% in Northern Ireland. Employment is estimated to have has since fallen to 12,000. There has been a 33% drop in number of full-time fishermen and a 39% fall in part-timers since 1995. The decline has been more severe because the 'gadoid outburst' (the atypically high levels of whitefish stocks in the 1970's) supported a much larger number of fishermen than would otherwise have been possible.

While fishermen account for a small percentage of the national workforce (0.2% in Scotland and 0.1% in England and Wales), they make a significant contribution to local economies as they tend to be regionally and locally concentrated. Around 20% of UK fishermen are located in the south west of England and 13% in Aberdeenshire in Scotland, and at a more local level, there are over 700 fishermen in the Fraserburgh Travel to Work Areas (TTWA), 650 in the Peterhead TTWA and 575 in the Penwith TTWA.

From a local and regional economic development perspective, it is more relevant to look at employment dependency, that is, the percentage of total employment that is in fish catching. In 2001, total fisheries dependency was as high as 24% in the Western Isles, and 20% in Fraserburgh and Dartmouth 13 TTWAs.

The inshore sector is estimated to employ 5,500 full-time fishermen, many of whom operate small boats under 10m in length. This sector is also thought to be associated with substantial additional levels of informal labour for example, the work put in by other family members to support the business, and occasional fishermen who use fishing to supplement the household income. This sector is much more geographically dispersed, and less easily recognised in fisheries and regional policy. Nevertheless, it is a sector of local cultural and tourism value, with the potential to provide high value fishing jobs into the future.

DEVELOPMENT PROSPECTS

The Common Fisheries Policy fleet restructuring programme (Multi-Annual Guidance Programme (MAGP), finished at the end of 2002. This programme required the removal of fleet capacity, with targets set for different segments. The reformed CFP, adopted in December 2002, replaces this with an entry:exit regime that aims to cap fleet sizes (in GT and kW) by ensuring that any vessel entries are matched by exits.

The TAC based EU management regime is set to continue, whereby the proportions of TACs allocated to EU Member States as national quotas are fixed under what is known as 'relative stability'.

The only new sources of supply have been some development of the oceanic slope or deep water fisheries to the northwest of Scotland and fish farming. Farmed production, mainly salmon, has levelled off as a result of overproduction in Norway.

The UK Prime Minister's Strategy Unit reported in 2004 on the challenges and future for the UK fishing industry[4]. Key challenges were identified as:

- ensuring conditions exist for the UK fishing industry to compete effectively on EU and global markets for fish products;
- rationalising and modernising the whitefish sector on a long-run sustainable basis, while ensuring stock recovery is successful;
- maintaining sustainable and profitable fishing opportunities for remote and dependent communities;

- providing a clear framework for balancing the different uses of the marine environment and preserving long-run ecosystem integrity;
- ensuring management systems create the correct incentives to supply accurate information and produce a high level of compliance; and
- reforming UK and EU management systems to ensure long-run sustainability, including prevention of future 'boom and bust' cycles.

RESEARCH

Government research is largely commissioned to the Centre for Environment, Fisheries and Aquaculture Science (CEFAS), (an Executive Agency of the Department of Environment, Food and Rural Affairs (DEFRA)), the Fisheries Research Services (FRS) (an agency of the Scottish Executive Environment and Rural Affairs Department (SEERAD)) and a range of contractors and research institutes. CEFAS and FRS are the main laboratories for research on biology, ecology and behaviour of sea fish, stock assessment, fish detection, gear efficiency, aquaculture and hydrography. Much of the stock assessment work is carried out in the context of the International Council for the Exploration of the Sea (ICES) for inclusion in the Advisory Committee on Fisheries Management (ACFM) advice. Government research on aquaculture is primarily in the areas of disease control, with investigations into alternative species for cultivation.

Other contractors undertaking UK and EU funded research include the Sea Fish Industry Authority Technology Unit and Policy & Economics Unit, various consultancies and the Universities including Portsmouth, Stirling, Hull (HIFI), Aberdeen, Manchester, and Plymouth.

FISHERIES MANAGEMENT AND POLICY AIMS

Regarding structural and conservation policy, UK policy is dictated by the EU Common Fisheries Policy. Fleet size is restricted under the entry:exit regime with building new vessels requiring the surrender of some additional capacity. On conservation, the UK annually receives a share of the EU determined TACs. Responsibility for enforcement remains under the jurisdiction of Member States; in the UK, quota management has largely been delegated to Producer Organizations (POs), which were originally set up under CFP to facilitate marketing arrangements, such as the administration of withdrawal price systems. However, there are now 23 POs in the UK, together with the UK Association of Fish Producers' Organizations, with quota management as their main function.

While the UK management system operates within the EU context, it does have freedom to allocate and manage fishing opportunities within its industry, develop markets and also manage inshore fisheries with greater autonomy. Given the regional importance of the sector and the room for national management, the fishing industry has received increased attention from the British government since 2000. This included the UK Prime Minister's Strategy Unit review of the challenges and future for the industry and a review of the inshore fisheries management regime in 2004. At the time of writing DEFRA was in the process of taking forward the recommendations from these reviews.

Other relevant developments from DEFRA include the Marine Stewardship Report, setting out their vision for the marine environment, and a stocktaking report on Integrated Coastal Zone Management (ICZM) in the UK, from which national ICZM strategies are due to be developed during 2004/05.

Internet Links

Scottish Executive Environment and Rural Affairs Department (SEERAD) http://www.scotland.gov.uk/Topics/?pageID=452

Department for Environment Food and Rural Affairs (DEFRA) http://www.defra.gov.uk/

Sea Fish Industry Authority (Seafish) http://www.seafish.org/

CEFAS - The Centre for Environment Fisheries and Aquaculture Science http://www.cefas.co.uk/

Fisheries Research Services (FRS) http://www.marlab.ac.uk/

National Assembly for Wales http://www.wales.gov.uk

Northern Ireland Department for Agriculture and Rural Development http://www.dardni.gov.uk/

The UK Prime Minister's Strategy Unit Fisheries Project http://www.number10.gov.uk/output/page3854.asp

1		Shelf-locked with Ireland, France, Belgium, Netherlands, the Federal Republic of Germany, and Denmark. Elsewhere estimated on the hypothesis of a median line.
2		Excluding Isle of Man and the Channel Islands.
3		Rate of exchange: US$ 1.790 = £ 1.00.
4		Net Benefits. A sustainable and profitable future for UK fishing. March 2004. Crown copyright March 2004. This country profile draws on this report, among others.