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Some initial thoughts on Eurostat's contribution to FIRMS-FIGIS

After lengthy internal discussions on legal niceties the FIRMS-FIGIS Partnership Arrangement between Eurostat and FAO was signed in February 2005. Annex 2 of this Partnership Arrangement (see Appendix 1 of this document) provides information on the data Eurostat proposed to submit to FIRMS-FIGIS; namely socio-economic indicators of EU and associated fisheries. The Arrangement having been signed, Eurostat, in collaboration with the Directorate-General for Fisheries (DG FISH), is actively considering in greater detail the information to be submitted.

The longer-term plans.

The most likely source of information will result from Commission Regulation no 1639/2001 on the collection of data and, in particular, on that part concerned with socio-economic data. This Regulation requires each member state to establish national data-bases containing, inter alia, economic data by segment of the EU fleet. The Member States are required to meet a Minimum Programme of data collection and may collect additional information under an Extended Programme agreed with the Commission. Community financial support is provided to assist the execution of these programmes.

An unusual feature of this Regulation is that currently the Commission's access to these data-bases is limited. Specific requests have to be made for access to these data-bases and the data may only be retained for a limited period.

While much of the data included in this Regulation has been routinely collected by national authorities for many years for analyses of the biological resources, the collection of socio-economic data is a relatively new sector of interest. While the Regulation lists the socio-economic parameters to be included in the national databases it does not define these parameters. Several meetings of fishery economists have been held to:

- review the parameters to be included in the national data-bases

and

- develop the concepts and definitions to be applied to these parameters to ensure that the resulting data are comparable at Community level.

Good progress has been made in this work but it has not been completed. (Another meeting of these fishery economists is planned for the Spring of 2006.) This means that, at the present time and until these discussions have been completed Eurostat will not have socio-economic information to contribute to FIRMS-FIGIS.

Once agreement on the parameters, the concepts and definitions has been reached, the Commission (Eurostat and the DG FISH) will have to obtain the agreement of the Member States to provide information extracted from the national data-bases to FIRMS-FIGIS. These discussions will centre on, for example,

- the choice of indicators,

- the level of aggregation (for individual Member States or for the Community)

- the level of aggregation (for the total fleet or by fleet segment)

and

- confidentiality issues.

The following information is provided as an indication of the possible coverage to be provided to FIRMS-FIGIS. However it must be stressed that this information is based on the parameters mentioned in the Regulation: for a variety of reasons (including confidentiality, quality considerations and completeness) the information submitted to FIRMS-FIGIS may differ significantly from this. However the views of the FIRMS Steering Committee would be welcomed as to the interest in making these data available on FIRMS-FIGIS.

Currently the following parameters (indicators) are under consideration:

Income	Turnover Gross revenue
Production costs	Labour costs Fuel costs Repair and maintenance costs Interest payments Other costs
Fixed costs	Capital costs
Financial position	
Investment (assets)	Capital value Investments
Prices/species	
Employment	
Fleet	
Effort.	

These indicators are to be available for each segment of the fleet. The segments of the fleet (under the Minimum Programme) are:

Vessel length / Type of fishing technique		< 12m	12 - < 24 m	24 - < 40m	≥ 40m
Mobile gears	Beam trawl				
	Demersal trawl & seiners				
	Pelagic trawl & seiners				
	Dredges				
	Polyvalent				
Passive gears	Gears using hooks	1)			
	Drift & fixed nets				
	Pots & traps				
	Polyvalent				
Polyvalent gears	Combining mobile & passive gears				

1) this segment is aggregated for all passive gears.

Note 1: If a gear category contains fewer than 10 vessels, then the cell can be merged with a neighbouring length category.

Note 2: If a vessel spends more than 50% of its time using a specific technique, it should be included in the corresponding segment

Note 3: Length is defined as length overall

It is unlikely that these indicators will be available before early 2007.

The short-term plans.

Unfortunately it is unlikely that the socio-economic indicators derived from Regulation no 1639/2001 will be available until well into 2007 and thus Eurostat has been looking at possible short-term contributions to FIRMS.

For a number of years the Commission (DG FISH) has been financing so-called “Concerted Actions” studying the economic performance of selected European fishing fleets. These studies of the fleets of 20 countries (most EU Member States, the Faroes, Iceland and Norway) have been conducted by fishery economists from national institutes and have resulted in a series of annual reports.

The economic results for 2003, contained in the Annual Report 2004, covered 86 fleet segments representing 60-70% of the total fishery sector of Europe in terms of value and volume of landings and over 40% of employment. The coverage by country varied between 3-4% for Greece and 100% for Italy and other countries.

It is proposed that Eurostat’s contribution to FIRMS, until such time as socio-economic indicators developed from Regulation no 1693/2001 are available, should be a summary of the results of this study of “Economic Performance of Selected European Fishing Fleets”. The summary developed from the Annual Report 2004 is attached (see Appendix 2) and Eurostat would welcome the comments of the FIRMS Steering Committee as to its suitability for submission to the FIRMS web-site.

Appendix 1.

Annex 2 of the FIRMS-FOGIS Partnership Agreement between Eurostat and FAO on the information to be contributed to FIRMS-FIGIS by the European Commission.

1. Data and statistical information.

Types of information to be contributed.

The information to be contributed to FIRMS by the European Commission will be socio-economic indicators of EU and associated fisheries.

Details of information to be contributed.

At the time of signature of the Partnership Arrangement it is not possible for the European Commission to provide detailed information of the data to be contributed. However the socio-economic indicators will be selected with the consultation of and with the approval of the FIRMS Steering Committee and will be in conformity with the FIRMS Information Management Policy.

Documentation and standards.

Full information will be provided on the sources of the information. In so far as it is possible, the standards used in compiling the indicators will be those developed by the Coordinating Working Party on Fishery Statistics or other international bodies. Where such standards are not available or cannot be applied, details of the standards used will be provided.

2. Metadata and information management.

Methods of collection and processing.

The European Commission will provide full information on the methods of collecting and compiling the socio-economic indicators as well as on the concepts and definitions used in their compilation.

Ownership and responsibilities

Information contributed to FIRMS by the European Commission resides under the full ownership and responsibility of the European Commission. This ownership will be clearly indicated as "European Commission (Eurostat)" with any information or set of information contributed to FIRMS. Where information has been contributed in collaboration with another EU Commission service this ownership will be indicated as, for example with data contributed in collaboration with the Directorate-General for Fisheries, "European Commission (Eurostat/DG FISH)".

3. Data and information security.

All contributions from the European Commission will be in the public domain. The European Commission will be responsible for ensuring that any restrictions placed of the dissemination of information provided by national and other organisations contributing to the European Commission's databases are respected. In no circumstances will the European Commission contribute confidential information to FIRMS-FIGIS.

4. Collaborative institutions.

Information contributed to FIRMS-FIGIS by the European Commission (Eurostat) may be derived from other services within the European Commission, notably the Directorate-General for Fisheries. In addition the information may have been made available to the Commission by external sources (for example, by the services of EU Member States) with their approval for submission to FAO. Eurostat will collaborate with those services to ensure that these contributions submitted by the European Commission conform to the Information Management Policy established by the FIRMS Steering Committee.

The European Commission will be represented in the FIRMS Steering Committee by officials of Eurostat. Representatives of other Commission services may be invited by Eurostat to assist in an advisory capacity at sessions of the FIRMS Steering Committee and at other meetings organised in the context of FIRMS-FIGIS.

5. Additional entitlements.

Eurostat staff, and staff of Commission services with whom Eurostat collaborates in contributing information to FIRMS, will be entitled to participate in workshops or special courses organised by the FIRMS Secretariat (FAO) on the use of electronic publishing tools used in FIRMS-FIGIS.

Appendix 2.

Economic Performance of Selected European Fishing Fleets in 2003

INTRODUCTORY NOTE

This report is a summary of the "Economic Performance of Selected European Fishing Fleets – Annual Report 2004" - an analysis undertaken by experts from national institutes within an EU-funded Concerted Action project[1]. The interpretation of the economic data in this report should be made with care and do not correspond to officially validated European Commission data. The data are based on samples, surveys and estimations with proxies and attention should be paid to the notes on the methodologies used and described in the full report.

GENERAL CONCLUSIONS

Fishing fleets of the 20 countries discussed in this report employed in 2003 about 210,000 people on board. The value of the total production is estimated at EUR 9.6 bln. However, for some countries (particularly Spain, France and Norway) only data for 2001-2002 are available. As the fishing sector continued to shrink the two values probably indicate the upper limit.

In the European Union alone some 181,000 fishermen produced in 2003 approximately EUR 7.1 bln worth of fish. Compared to the year 2002 the value remained constant but the employment has decreased by about 9%.

Out of the 86 specific segments on which the data are presented, the short-term performance of 57 segments has deteriorated compared to 2001/2002. These 57 segments represented 50% of the total production value of the surveyed fleets. Only 18 segments, with 29% of the production value, managed to improve their short-term results.

In the longer-term perspective (2001-2003) 74 segments (86% of the production value) still operate at or above the break-even level, i.e. they are able to cover all their costs, including depreciation and interest on own capital.

Average value of fish landings per fishermen in the surveyed fleets amounted to EUR 65,000. Consequently, the production value per fisherman in fisheries not covered by the report can be estimated at some EUR 30,000. As on average gross value added (sum of crew income, profit and capital costs) amounts to some 60% of the value of landings, gross income (before taxes and social security payments) of over 120,000 fishermen in Europe amounts to less than EUR 20,000 per year.

The productivity in the non-EU countries is substantially higher than in the EU. Average value of production per fisherman in Iceland, Norway and Faeroe Islands amounts to EUR 155,500, while in the EU-15 it is only 58,800. The value of production per man in the new Member States amounts to EUR 31,500. This difference in productivity can be at least partly explained by the higher capital intensity in the non-EU countries where there is 94 kW/man (kilowatt engine power per man), while this is 48 kW/man in the EU-15 and 36 kW/man in Poland and the three Baltic republics.

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[1] Economic Assessment of European Fisheries: Concerted Action (Q5CA-2001-01502) report, December 2004. The views in this report are those of the national experts and do not necessarily correspond with those of the European Commission and in no way anticipate the Commission's future policy in this area.

	Value of landings (m EUR)	Employment on board (FTE)	Volume of landings (100t)	Number of vessels	Total kW (1000)
Belgium	90	615	24	124	65
Denmark	371	3,506	1,033	1,244	295
Finland	20	462	73	285	49
France	1,078[b)]	13,824[a)]	594[b)]	5,640	900
Germany[b)]	182	2,473	249	2,212	160
Greece	271	30,208	89	19,135	575
Ireland	196	6,000[a)]	299	1,391	206
Italy	1,466	38,157	312	15,602	1,254
Netherlands	394	2,249	523	388	365
Portugal	358	20,033	179	10,262	399
Spain	1,850[a)]	49,400	930[a)]	14,877	1,258
Sweden	95	2,360	285	1,712	221
UK	755	11,744	631	6,735	870
Estonia (Baltic Sea)	10	2,011	59		
Faeroe Islands	201	1,402	429	79	51
Iceland	808	4,615	1,980	1,490	484
Latvia (Baltic Sea)	19	979	68	191	35
Lithuania	104	2,555	150	155	76
Norway[b)]	1,328	12,233	2,514	2,205	878
Poland	50	4,800	160	1,407	155
Total	**9,646**	**209,655**	**10,582**	**85,134**	**8,294**
- EU15	7,126	181,060	5,221	79,607	6.616
- New MS	183	10,345	438	1,753	265
- Non-EU	2,337	18,250	4,923	3,774	1,412

[a)] data for 2001 [b)] data for 2002

Table 1: Main indicators by country, 2003

Summary by region

The fleet segments studied may be broadly broken into fisheries in six main regions:

North Sea	(ICES areas IV and IIIa)
Baltic Sea	(ICES areas IIIb, IIIc and IIId)
North Atlantic	(ICES areas I to VI excluding the North Sea)
Central Atlantic	(ICES areas VI, VII and VIIIabd)
South Atlantic	(ICES areas VIIIc,e, IX and X)
Mediterranean Sea	

Segments which operate in two or more of these regions during the year have been assigned to the regions which are most important for their earnings.

Table 2 presents the main indicators for the studied fleet segments in each of the regions. It should be noted that the totals are not for all fisheries in the regions but are the totals of the fleet segments studied.

It is interesting to note the major differences in productivity per employed person, per vessel or per kW in the various regions. The low average productivity of the Baltic fisheries is largely caused by the performance of the vessels in the new Member States and the fact that in Sweden and Finland fishing is a part-time activity in the coastal fleets. Apart from the Baltic, in the other areas there is relatively little difference in the value of landings per kW, while the difference in the value of landings per crewman is substantial. The most important regional difference is in the average value of landings per tonne. This value in the Mediterranean is six times higher than in the North Sea and twelve times higher than in the North Atlantic.

	North Sea	Baltic Sea	North Atlantic	Central Atlantic	South Atlantic	Medit-erranean	Other areas	Total
Number of segments	17	22	14	13	7	10	3	86
Value of landings (mEUR)	891	174	1,593	1,208	336	1,547	244	5993
Gross value added (mEUR)	427	79	960	693	182	1,022	107	3,469
Employment	7,476	4,856	10,533	14,469	8,518	39,016	2,750	87,618
Volume (1000t)	1,144	625	3,886	420	212	316	596	7,198
Number of vessels	2,060	1,593	2,810	3,399	823	15,796	42	26,523
kW (1000)	768	344	986	794	254	1,314	168	4,627
Value of landings/man (1000 EUR)	119	36	151	83	39	40	89	68
Gross value added /man (1000 EUR)	57	16	91	48	21	26	39	40
kW/vessel	373	216	351	234	308	83	3,995	174
Value/vessel (1000 EUR)	433	109	567	355	408	98	5,820	226
Value/kW (EUR)	1,160	506	1,616	1,520	1,324	1,178	1,457	1,295
Value/tonne (EUR)	779	278	410	2,873	1,587	4,900	410	833

Table 2: Regional summary – main indicators of the fleet segments analysed, 2003

North Sea (ICES areas IV and IIIa)

Introduction

Data from 17 fleet segments which derived more than 50% of their earnings from the North Sea in 2003 were analysed. These segments reported a total of 2,060 vessels with a combined engine power of 768,000 kW and employing approximately 7,500 people on board. In all respects this represented a decrease of 9% over the situation in 2002. The changing structure of the North Sea fleet can be explained through a combination of decommissioning and capacity aggregation.

The latest estimates point to the continuing trend over recent years of declining vessel numbers. For the beam trawl fleet there has not been any investment in the United Kingdom, the Netherlands, Belgium and Germany for many years.

	2003	Change 2003/2002 (%)
Employment	7,476	-9.1%
Number of vessels	2,060	-9.0%
Total kW (1000)	768	-9.0%

Table 3: Capacity indicators, North Sea segments

Landings – value and volume

The situation for the North Sea **pelagic** stocks is mixed. There has been an increase of 59% in herring TAC between 2000 and 2003 while the TAC for sandeel has decreased by 31% over the same period.

Demersal TACs have generally been falling over the last six years. This is due to the poor state of some species, principally cod, and the related stock recovery measures.

Shellfish stocks, principally Norway lobster, are reported to be healthy. The TAC for this species has been restricted due to the associated reported by-catch of cod.

Stock recovery measures have reduced the volume of landings from the North Sea by an estimated 10% since 2000. This has not been matched by an increase in average price for most species. For some species an increase in competition from non-EU imports has depressed quayside prices.

Some German vessels have switched effort from the North Sea to the Baltic in order to fish cod there, while a number of UK vessels have switched from targeting whitefish to Norway lobsters.

Economic performance

In 2003, 14 of the 17 segments analysed reported deterioration in the short term economic performance representing 78% of the value of landings. In the medium term 16 segments still have a strong or reasonable performance.

The share of gross value added (GVA) in value of landings ranges from 33% to 65%. The most productive segments are the Danish gillnetters and seiners and German shrimp beam trawlers. The three UK segments reported the poorest productivity levels.

For most segments the GVA per employee lies between EUR 30,000 and EUR 60,000. The large Danish purse seiners/trawlers (=> 40m) and Dutch and Belgian beam trawlers over 24m achieved the highest GVA per employee. The German North Sea trawlers recoded the poorest GVA per employee.

The value of landings per kW lies for most segments between EUR 400 and EUR 800. It seems to be independent of the size of the vessel (in terms of kW). The Dutch beam trawlers >24m and the Danish purse seiners/trawlers =>40m show the best performance in this respect. The German North Sea trawlers reported the lowest revenue per kW.

Short term	Number of segments	Share in value	Medium term	Number of segments	Share in value
Improvement	0	0	Strong	4	6%
Constant	3	22%	Reasonable	12	78%
Deterioration	14	78%	Weak	1	16%
			Very weak	0	
Total	17	100%	Total	17	100%

Table 4: Short and medium term performance in the North Sea in 2003 (number of segments and share in value of landings)

Baltic Sea (ICES areas IIIb, IIIc and IIId)

Introduction

The coverage of total employment measured in full time equivalents (FTE) in this analysis was less than 80% because some rather big small scale coastal fleets were not covered. In these coastal fisheries many people work part-time and, as a consequence, the coverage of the number of people affected by the fishery is much lower than 80%.

Danish and Swedish vessels normally fish both in the Baltic and in the neighbouring western waters. However, as they generate most of their revenues in the Baltic, they are fully allocated to this area, without adjustment.

The three main commercial species in the Baltic are cod, herring and sprat. A total of 22 segments are covered with full economic data. This consists of 11 segments which mainly exploit pelagic species, 9 mainly exploit cod and 2 exploit coastal fisheries.

	2003	Change 2003/2002 (%)
Employment	4,856	-3.1%
Number of vessels	1,593	-6.3%
Total kW (1000)	344	-3.0%

Table 5: Capacity indicators, Baltic Sea segments

Landings – values and volume

Landings of the three most important species have decreased. While the price of sprat has increased by about 5% the prices of cod and herring have decreased between 2002 and 2003 by 13% and 20% respectively. Consequently the value of landings has decreased by 16%.

The forecasts for the cod stocks are weak for the foreseeable future. The forecast for herring and sprat are more encouraging but the prices seem to have stabilised at a relatively low level.

Economic performance

The economic performance of most segments has deteriorated in 2003 compared with 2002. During 2003 the cod fishery has been seriously hit by low quotas and falling prices. However the economic performance in these segments has been better than for many pelagic segments. It seems that some small gillnetters targeting cod improved their performance in 2003. Many pelagic vessels have severe economic problems and no improvement is in sight in the near future. The main reasons are low prices and a low TAC for herring in recent years. This is especially the case for many vessels in the new Member States. The situation could be improved with a reduction in the number of vessels which would allow cost reductions.

Short term	Number of segments	Share in value	Medium term	Number of segments	Share in value
Improvement	2	4%	Strong	10	51%
Constant	1	4%	Reasonable	8	41%
Deterioration	19	92%	Weak	3	7%
			Very weak	1	1%
Total	22	100%	Total	22	100%

Table 6: Short and medium term performance in the Baltic Sea in 2003 (number of segments and share in value of landings)

North Atlantic area (ICES areas I to VI excluding the North Sea)

Introduction

The main fleets originate in Norway, Iceland and the Faeroe Islands. Other countries fishing in these areas are mainly Russia, the EU and third countries operating under bilateral agreements.

The three main countries cover about 80% of the total uptake with the 14 segments analysed covering roughly two-thirds of this volume.

The development in recent years show that employment (10,500 in 2003) has been falling steadily in the period 1998-2003 as has the number of vessels (2,800 in 2003). However the total engine power (986,000 kW in 2003) has remained relatively constant.

	2003	Change 2003/2002 (%)
Employment	10,533	-3.3%
Number of vessels	2,810	-0.7%
Total kW (1000)	986	-3.0%

Table 7: Capacity indicators, North Atlantic segments

Landings – values and volume

The TACs for cod in Iceland and Norway have fallen dramatically from 2000 to 2001 and have remained relatively stable thereafter at about 70% of the 1998 level. For herring the same has been the case though the quota reduction from 1998 to 2001 was more gradual.

Average prices for cod have seen a relatively modest but stable increase in the period except for 2002/2003. Herring prices have been more volatile, ending with a marked fall in 2003.

Economic performance

Most indicators of economic performance have been gradually improving though there was a short-term deterioration in 2003. However profits have fluctuated widely.

Pelagic vessels in the North Atlantic region have progressed positively during the last 2-3 years, mainly because of good prices and increased catches, particularly those targeting blue whiting. In general the fleet fishing groundfish has been doing well but white fish prices in 2003 have been reduced.

Short term	Number of segments	Share in value	Medium term	Number of segments	Share in value
Improvement	5	40%	Strong	4	26%
Constant	1	3%	Reasonable	10	74%
Deterioration	8	57%	Weak		
			Very weak		
Total	14	100%	Total	14	100%

Table 8: Short and medium term performance in the North Atlantic area in 2003 (number of segments and share in value of landings)

Central Atlantic area (ICES areas VI, VII and VIIIabd)

Introduction

13 fleet segments from Spain, France, Ireland and the United Kingdom are included in this analysis.

	2003	Change 2003/2002 (%)
Employment	14,469	-1.2%
Number of vessels	3.399	-1.4%
Total kW (1000)	794	+1.9%

Table 9: Capacity indicators, Central Atlantic segments

Between 2002 and 2003 the size of the analysed fleet segments has decreased slightly in terms of number of vessels and employment. However there has been a slight increase in engine power.

Value and volume of catches in 2002/2003 was 10-15% above the level in 2000-2001. Consequently gross value added and crew share have improved substantially. However profits and to a lesser extent gross catch flow have deteriorated between 2002 and 2003 because of the lower value of landings and higher costs.

Landings – value and volume

Prices of hake and anglerfish are rather constant so that the value of these species follows closely the landed volumes. Prices of nephrops have increased steadily since 2000. Still anglerfish and hake are in absolute terms much more important than nephrops for the revenue of the fleets concerned.

Economic performance.

The analysis of the 13 fleet segments in the central Atlantic area relates to 3,399 vessels which employ 14,469 people. These 13 segments produced landings worth EUR 1.2 bln in 2003. It is difficult to compare the economic performance of the various segments fishing in the Central Atlantic because a variety of vessels and gears are used, including whitefish trawlers, dredgers, netters, longliners and nephrops trawlers. Substantial variation occurs between segments. In the short term economic performance of many segments has deteriorated, whereas the medium term performance of the majority of segments is reasonable.

Short term	Number of segments	Share in value	Medium term	Number of segments	Share in value
Improvement	2	6%	Strong	2	20%
Constant	2	19%	Reasonable	8	71%
Deterioration	9	75%	Weak	3	9%
			Very weak		
Total	13	100%	Total	13	100%

Table 10: Short and medium term performance in the Central Atlantic area in 2003 (number of segments and share in value of landings)

This variation is seen in terms of the GVA per value of landings against the average engine power (kW), in terms of the GVA per person employed against the average engine power (kW), and in terms of the GVA per kW. The French and Spanish fleets are the best performing. The Irish vessels below 18m and the UK beam trawlers show consistently the worst performance. The Irish fleets together with the Polish factory trawlers are the only segments which faced a negative gross value added in 2003.

In conclusion, the short-term economic performance has been deteriorating. The primary underlying reason is an increase in costs, particularly fuel and vessel costs. Most segments operated at approximately the break-even level of revenues over the period 2001-2003.

South Atlantic area (ICES areas VIIIc,e, IX and X)

Introduction

7 fleet segments from Spain and Portugal accounting for around 50% of the value of landings were included in this analysis.

	2003	Change 2003/2002 (%)
Employment	8,518	-5.7%
Number of vessels	823	-5.9%
Total kW (1000)	254	+0.0%

Table 11: Capacity indicators, South Atlantic segments

The size of these segments has remained stable in terms of engine power (kW), while the number of vessels and employment has declined by a little less than 6%.

In general TACs in the South Atlantic area have declined since 2000, especially in shellfish (mainly Nephrops) and demersal species (mainly blue whiting, hake, anglerfish, megrim and sole).

The value and volume of production have been decreasing since 1999. Consequently also the economic indicators have gradually deteriorated and the profits are close to zero, a 90% decrease since 2000.

Landings – value and volume

Between 1998 and 2003 the volume of landings of sardine has remained stable, while landings of other important species have decreased. The average price of swordfish dropped due to imports from third countries. Sardine and horse mackerel prices have been stable.

Economic performance

The value of the landings of the 7 fleet segments amounted to EUR 335.7 mln in 2003. The short-term economic performance of most segments is deteriorating. Consequently also the medium-term performance in 2003 has worsened compared with 2002 when 3 segments still showed strong performance in the medium term. The revenues of most segments are approximately at the break-even level. The problems are partly caused by excessive supplies from third countries into the European market.

Short term	Number of segments	Share in value	Medium term	Number of segments	Share in value
Improvement	1	11%	Strong		
Constant	1	12%	Reasonable	6	99%
Deterioration	5	77%	Weak	1	1%
			Very weak		
Total	7	100%	Total	7	100%

Table 12: Short and medium term performance in the South Atlantic area in 2003 (number of segments and share in value of landings)

Mediterranean Sea

Introduction

10 fleet segments from Greece, Italy and France are included in this analysis, making up 39% of the total number of vessels in these three countries. This does not represent all vessels fishing in the Mediterranean: Spain and the Mediterranean new Member States are not included and the French and Greek data refer only to part of the trawler fleet.

Considering the particular structure of the Mediterranean fleet and the morphological structure of the continental shelf, each vessel has only 2 or 3 fishing grounds available. Only a small part of the fleet in specific fisheries exploits more distant fishing grounds. According to the GFCM (General Fisheries Commission for the Mediterranean) there are around 20 shared stocks in the region. Trans-boundary and straddling stocks are largely confined to the Gulf of Lions, the Adriatic, the Alboran Sea, the Aegean Sea and the Sicily Channel. In terms of common stocks the region is characterised by important highly migratory stocks (e.g. bluefin tuna, albacore, swordfish and dolphin fish).

	2003	Change 2003/2002 (%)
Employment	39,016	-0.5%
Number of vessels	15,796	-1.9%
Total kW (1000)	1,314	+0.1%

Table 13: Capacity indicators, Mediterranean segments

Vessel numbers have been declining everywhere because of the EU capacity adjustment policy. From 1998 to 2003 the number of vessels decreased by 20% and the GRT (gross registered tonnage) by 23%. As a consequence, volume of landings dropped from 496,000 to 339,000 tonnes.

Landings – value and volume

A low level of specialisation is characteristic for Mediterranean fisheries. Apart from small pelagic species and some specific fisheries (sardines, shrimps, swordfish, tuna, clams), fishers

can only partially target species they intend to catch, given the strong multi-specificity of the fisheries.

Because of the multi-specificity of the Mediterranean fisheries it is difficult to identify individual species which would represent a substantial share of the value of production and consequently their trends would reflect general trends in the fisheries. Hake, anchovy and pilchard are among the most important species. Hake catches and prices have increased until 2002. The volumes of anchovies and pilchards have gone down and this has not been offset by higher prices.

Economic performance

The landings of the 10 segments analysed accounted for EUR 1.5 bln in 2003.

Short term	Number of segments	Share in value	Medium term	Number of segments	Share in value
Improvement	7	54%	Strong	3	14%
Constant	1	5%	Reasonable	5	45%
Deterioration			Weak		
			Very weak		
Not available	2	41%	Not available	2	41%
Total	10	100%	Total	7	100%

Table 14: Short and medium term performance in the Mediterranean area in 2003 (number of segments and share in value of landings)

The medium-term economic performance of segments covered varies between strong and reasonable. In the short-term the performance has generally improved except in the case of the French Mediterranean trawlers. Challenges facing the industry vary according to segment but for 2004 the crucial problem will concern fuel costs.

For most segments the GVA amounts to 60-80% of the value of the landings. The highest labour productivity, measured as GVA per employee, is achieved by the Italian midwater pair trawlers and tuna vessels. Italian small-scale fisheries show the poorest result in this respect. Capital productivity, measured as GVA per kW, is, in contrast, highest for the Italian small-scale fisheries and lowest for the Greek trawlers.

Selected indicators for individual segments

	Short-term performance	Medium-term performance	Value of landings (million EUR)	GVA/value of landings (%)	GVA/crewman (1000 EUR)	Value of landings/kW (EUR)
Belgium			**90.4**	**49**	**71.5**	**1,399**
Beam trawlers>24 m	-	++	66.6	48	80.5	1,348
Beam trawlers <24m	+/-	++	15.1	52	79.0	2,127
Shrimp beam trawlers	-	++	6.1	43	34.7	1,220
Denmark			**371.5**	**55**	**58.7**	**1,259**
Purse seiners/trawlers >=40m	-	+	70.7	54	122,9	1,538
Trawlers 24-<40m	-	+	86.0	45	55.1	1,141
Trawlers <24m	-	+	88.4	54	44.5	1,034
Danish seiners	-	+	20.0	64	57.8	1,637
Gillnetters	-	-	49.1	64	42.4	1,318
Finland			**19.8**	**50**	**21.4**	**402**
Trawlers<24 m	-	+	5.3	51	24.2	303
Trawlers >24m	-	+	7.2	47	52.9	537
Gillnetters	+	-	1.3	38	16.2	481
Coastal vessels	+	++	6.0	53	12.6	385
France			**1078.0**			**1,183**
Atlantic bottom trawlers	-	+	397.0	64	79.7	1,734
Atlantic trawlers-dredgers	-	++	111,0	68	54.6	1,442
Atlantic netters	-	++	126.0	71	56,1	1,658
Atlantic longliners/liners	-	+	16.0	69	39.3	1,000
Atlantic potters	+/-	+	30.0	77	51.7	1,579
Medit.trawlers 18-25m	+/-	+	68.8	57	59.8	1,650
Germany			**182.2**			**1,139**
North Sea trawlers	+/-	+	2.9	52	16.9	279
Baltic trawlers	-	++	12.6	48	25.4	692
Shrimp beam trawlers	-	++	55.1	65	53	1,111

	Short-term performance	Medium-term performance	Value of landings (million EUR)	GVA/value of landings (%)	GVA/crewman (1000 EUR)	Value of landings/ kW (EUR)
Greece			**270.7**			**471**
Thermaikos trawlers >24m	+	+	9.8	52	31.7	705
Thermaikos trawlers <24m	+	+	2.0	47	21.4	480
Ireland			**196.1**			**952**
NW polyvalent <12m	-	-	10.7	-4	-0.8	843
Polyvalent 12-<18m	+	-	11.9	-14	-3.3	665
Polyvalent	+	+	60.2	42	25.5	1,394
Italy			**1466.1**	**67**	**25.6**	**1,169**
Medit. trawlers	+	+	557.7	59	35.5	1,027
Purse seiners	+	+	58.1	74	27.5	1,252
Midwater pair trawlers	+	++	48.4	65	36.6	1,186
Dredgers	+	++	91.6	80	49.9	1,202
Multipurpose vessels	Na	Na	293.2	68	21.4	995
Small-scale fisheries	Na	Na	342.9	73	16.9	1,754
Tuna fisheries	+	++	74.2	73	55.2	1,302
Netherlands			**394.0**	**47**	**81.7**	**1,078**
Shrimp beam trawlers <24m	-	+	8.4	49	36.9	1,024
Beam trawlers <=24m	-	+	56.7	54	53.6	1,496
Beam trawlers	+/-	+	179.6	44	87.1	846
Trawlers >24m	-	+	6.0	57	68.0	741
Pelagic freezer trawlers	+	++	143.3	47	109.1	1,447

	Short-term performance	Medium-term performance	Value of landings (million EUR)	GVA/value of landings (%)	GVA/crewman (1000 EUR)	Value of landings/ kW (EUR)
Portugal			**357.6**			**896**
Trawlers	-	+	43.8	45	16.5	828
Coastal purse seiners	+/-	+	42.0	66	11.0	1,175
NAFO trawlers	-	+	31.3	45	28.7	1,114
Longliners	-	+	11.5	45	12.4	1,047
Gillnetters, north >40GT	-	--	4.4	55	6.2	702
Spain			**1850.0**			**1,471**
300 fleet	+/-	+	201.4	63	49.8	2,034
N & NW trawlers	-	+	68.0	56	31.5	1,466
Galician purse s.	+	+	36.0	71	31.1	1,015
Atlantic longliners	-	+	130.0	49	32.2	1,973
Sweden			**95.3**			**432**
Pel.trawlers/ purse.s. >24m	-	++	41.3	45	55.8	649
Pelagic trawlers <24m	-	++	5.1	47	16.9	395
Shrimp trawlers	-	++	10.9	43	31.3	592
Cod trawlers >=24m	-	++	6.0	43	40.6	612
Cod trawlers <24m	-	+	11.0	42	25.3	553
Nephrops trawlers	-	+	6.6	36	13.3	333
Gillnetters>= 12m	-	+	3.8	53	20.4	487
Gillnetters <12m	+/-	++	6.5	55	10.3	344
UK			**754.5**			**867**
Scot.dem. trawlers >24m	-	+	74.9	33	54.4	1,387
Scot.dem. trawlers <24m	-	+	85.6	34	36.2	1,562
Scottish seiners	-	+	20.3	34	38.9	1,318
Beam trawlers	-	-	84.8	16	20.2	930
N.Irish neph.trawl	-	+	18.4	56	28.5	876
Scot. nephrops trawlers	-	+	69.7	45	30.5	1,552
Scallop trawlers	-	+	70.6	49	36.7	1,489

	Short-term performance	Medium-term performance	Value of landings (million EUR)	GVA/value of landings (%)	GVA/crewman (1000 EUR)	Value of landings/ kW (EUR)
Estonia (Baltic Sea)			**9.9**			
Trawlers >24m	-	+	8.1	52	9.5	409
Trawlers <24m	-	-	0.3	62	1.5	83
Faroe Islands			**201.0**	**62**	**88.4**	**3,941**
Pel.trawlers/ purse s.	-	++	41.0	61	143.7	1,708
Freezer trawlers	-	++	50.0	62	118.3	2,941
Pair trawlers	-	++	57.0	56	73.7	1,140
Longliners	+/-	+	53.0	68	67.7	6,625
Iceland			**808.0**	**60**	**105.4**	**1,670**
Trawlers	+	+	103.8	56	111.4	2,153
Pel.trawlers/ purse s.	-	+	152.0	55	147.5	1,481
Freezer trawlers	-	+	228.1	64	142,8	2,637
Other vessels >10GT	-	+	247.5	66	128.7	1,867
Coastal vessels <10GT	-	+	97.9	45	35.8	861
Latvia (Baltic Sea)			**18.7**	**43**	**8,3**	**540**
Trawlers >24m	-	-	10.7	44	9.6	535
Trawlers <24m	-	--	2.3	30	4.5	319
Gillnetters	-	+	5.6	46	7.7	589
Lithuania			**103.6**	**44**	**18.0**	**1,360**
Coastal vessels <12m	-	++	0.3	53	1.5	137
Baltic trawlers <24m	-	+	3.4	35	4.0	338
Atlantic trawlers	-	++	98.0	44	21.4	1,596
Gillnetters	-	+	2.0	62	9.8	744
Norway			**1328.3**	**59**	**64.2**	**1,513**
Coastal vessels	+	+	102.3	65	32.2	924
Trawlers	+	+	91.8	56	76.4	1,706
Trawlers/ purse s.	+	++	272.4	64	182.7	1,649
Pelagic trawlers	+	+	65.1	53	96.8	1,434
Poland			**50.4**			**326**
Pel.trawlers >25m	-	+	17.7	44	13.4	586
Factory trawlers	-	--	3.2	-107	-32.7	430

Classification of performance

Economic performance of individual fleet segments is evaluated in the short and medium terms.

For the short term performance, gross cash flow of 2003 was compared to the average gross cash flow of 2001-2002. Gross cash flow is a good short term indicator in fisheries. Positive gross cash flow means that the company is capable of paying for all of its operational costs and meeting at least part of its obligations to its creditors (bank). Empirical research shows that companies can survive short term (1-2 years) losses as long as the cash flow remains positive.

Short-term performance (stp) = Gross cash flow 2003 / Average gross cash flow 2001-2002

Range	***Classification***	***Symbol***	***Comments***
stp >= 105%	Improvement	+	Gross cash flow in 2003 exceeds the earlier years by more than 5%.
95% <= stp < 105%	Stable	+/-	Gross cash flow of 2003 is within +/- 5% of the 2001-2002 value.
stp < 95%	Deterioration	-	Gross cash flow of 2003 is more than 5% below the earlier years.

For the medium term performance, the average realised revenues for 2001-2003 (in some case 2000-2002) were compared to the required 'break-even revenue'. The break-even revenue represents a level of production at which all costs are covered, so that the segment could implement regular replacement investments in the long run. It may be safely assumed that economic results at break-even level usually imply very satisfactory profitability in fiscal terms.

Medium term performance (mtp) = Average revenue 2001-2003 / Break-even revenue 2001-2003

Range	***Classification***	***Symbol***	***Comments***
mtp >= 105%	Strong	++	Companies have no problems meeting all their financial obligations.
95% <= mtp < 105%	Reasonable	+	All costs are more or less covered, at low level of profits or losses.
85% <= mtp < 95%	Weak	-	Minor losses lead to deterioration of solvability.
mtp < 85%	Very weak	--	Losses, probably also in fiscal terms, have been incurred in previous years. The commitment of the banks to support the fishing company may be gradually eroded.

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