



Socio-economic impacts of the COVID-19 on the European Union fisheries sector

Sebastián Villasante

University of Santiago de Compostela
Spain

SWWAC Covid-19 WG meeting

April 13rd, 2021



The COVID-19 crisis



- Globally, the COVID-19 pandemic has forced governments to impose a temporal cessation of large parts of their economies to ensure social distancing and reduce infection rates
- Global reduction in landings and fishing activity, partly due to a decline in the demand but also because of sanitary measures
- Both the COVID-19 outbreak and the different responses by countries have the potential to affect the seafood sector in multiple ways

The COVID-19 crisis



- In the EU, so far, there have been two identified waves:
 - A first wave resulted in EU countries imposing in March 2020 a nation-wide closure of all economic activities with the exception of those considered strategic to national economies, including fisheries.
 - With the arrival of the summer, COVID-19 cases decreased and the strict rules were relaxed; but a second wave came in autumn 2020 and countries imposed again restrictive measures without arriving to strict lockdowns of first wave.

AER Methodology



- We estimate the economic performance for 2020 considering the COVID-19 outbreak, as a result of applying all the sources of observed and anticipated drivers (e.g. changes in sales volumes, fish prices, and fuel prices) to the 2019 economic performance
- Data submitted by EU countries under the EU Data Collection Framework (DCF) (EC, 2017) to produce the 2020 Annual Economic Report of the EU fishing fleet (AER) (STECF, 2020)

A COVID-19 adjustment factor



- A COVID-19 adjustment factor has been used to directly estimate total weight of landings, energy consumption, variable costs and employment (FTE).
- COVID-19 financial support programmes were not incorporated into the COVID-19 adjustment factors
- The COVID-19 adjustment factor compares the first months of the year 2020 to the equivalent months of 2019 based on four data sources:
 - ACDR data (aggregated control data) on Member State landings,
 - AIS data by Member State EEZ,
 - A survey sent out to the fishing industry and fishing experts co-ordinated by national experts; and
 - Member States' monthly landings (where reported).

Economic performance of EU-27: Decrease in landings weight (14%) and landed value (17%)



| EU27 | | 2018 | 2019 | 2020 | %Δ 2020-2019 |
|-----------------------------------|-----------------|-------|-------|-------|--------------|
| Number of vessels | thousand | 59.0 | 60.2 | 59.7 | -1% |
| Live weight of landings | thousand tonnes | 4,478 | 4,145 | 3,579 | -14% |
| Value of landings | million EUR | 6,699 | 6,842 | 5,677 | -17% |
| Employment: Engaged crew | thousand | 134.9 | 136.5 | 135.8 | -1% |
| Employment: Full Time Equivalent | thousand | 97.9 | 97.7 | 79.6 | -19% |
| Energy consumption | million litre | 2,018 | 1,984 | 1,642 | -17% |
| Energy costs | million EUR | 1,037 | 993 | 732 | -26% |
| Personnel costs | million EUR | 1,936 | 1,950 | 1,655 | -15% |
| Gross Value Added | million EUR | 3,773 | 4,100 | 3,438 | -16% |
| Gross profit | million EUR | 1,510 | 1,835 | 1,525 | -17% |
| Net profit | million EUR | 791 | 1,132 | 803 | -29% |
| GVA to revenue | % | 55.6% | 58.2% | 58.1% | 0% |
| Gross profit margin | % | 22.2% | 26.0% | 25.8% | -1% |
| Net profit margin | % | 11.7% | 16.1% | 13.6% | -15% |
| Average wage per crew | thousand EUR | 16.8 | 16.6 | 14.1 | -15% |
| Average wage per FTE | thousand EUR | 23.1 | 23.2 | 24.0 | 4% |
| GVA per FTE (labour productivity) | thousand EUR | 38.6 | 41.9 | 43.2 | 3% |

Source: own elaboration from STECF's 2020 AER.



Landings of SSF have been significantly reduced, while LSF has been less impacted

| EU27 | | SSCF | | | | LSF | | | |
|-----------------------------------|-----------------|---------|--------|--------|-------------|---------|---------|---------|-------------|
| | | 2018 | 2019 | 2020 | %Δ2020-2019 | 2018 | 2019 | 2020 | %Δ2020-2019 |
| Number of vessels | thousand | 44,703 | 45,796 | 45,456 | -1% | 14,047 | 14,139 | 14,044 | -1% |
| Live weight of landings | thousand tonnes | 229.5 | 226.0 | 195.1 | -14% | 3,532 | 3,162 | 2,922 | -8% |
| Value of landings | million EUR | 1,022.0 | 1,049 | 854 | -19% | 4,680 | 4,374 | 3,889 | -11% |
| Employment: Engaged crew | thousand | 67.8 | 69.4 | 69.1 | 0% | 61.0 | 60.7 | 60.7 | 0% |
| Employment: Full Time Equivalent | thousand | 40.6 | 41.7 | 32.5 | -22% | 49.9 | 48.4 | 41.8 | -14% |
| Energy consumption | million litre | 150.4 | 152.4 | 124.7 | -18% | 1,497.4 | 1,446.1 | 1,274.0 | -12% |
| Energy costs | million EUR | 108.6 | 110.5 | 76.1 | -31% | 765.4 | 710.4 | 531.7 | -25% |
| Personnel costs | million EUR | 286.6 | 293.2 | 242.8 | -17% | 1,426.1 | 1,421.1 | 1,277.3 | -10% |
| Gross Value Added | million EUR | 727.7 | 757.2 | 610.6 | -19% | 2,658.7 | 2,627.3 | 2,371.4 | -10% |
| Gross profit | million EUR | 232.7 | 250.5 | 201.4 | -20% | 1,115.7 | 1,106.3 | 1,005.4 | -9% |
| Net profit | million EUR | 105.5 | 123.5 | 80.5 | -35% | 620.7 | 630.6 | 521.0 | -17% |
| GVA to revenue | % | 67.3% | 68.1% | 66.6% | -2% | 56.8% | 57.7% | 58.4% | 1% |
| Gross profit margin | % | 21.5% | 22.5% | 22.0% | -2% | 23.8% | 24.3% | 24.7% | 2% |
| Net profit margin | % | 9.8% | 11.1% | 8.8% | -21% | 13.3% | 13.9% | 12.8% | -7% |
| Average wage per crew | thousand EUR | 7.3 | 7.3 | 5.9 | -19% | 25.3 | 25.1 | 22.5 | -10% |
| Average wage per FTE | thousand EUR | 12.2 | 12.1 | 12.6 | 4% | 30.9 | 31.4 | 32.7 | 4% |
| GVA per FTE (labour productivity) | thousand EUR | 17.9 | 18.2 | 18.8 | 4% | 53.3 | 54.3 | 56.8 | 5% |

Source: own elaboration from STECF's 2020 AER.

COVID-19 impacts on EU Member States (higher than EU average)



| | Employment: Full Time Equivalent | | | % diff 2020-19 | Live weight of landings (thousand tonnes) | | | % diff 2020-19 | Value of landings (million euro) | | | % diff 2020-19 |
|--------------|----------------------------------|---------------|---------------|-------------------|-------------------------------------------|----------------|----------------|-------------------|----------------------------------|----------------|----------------|-------------------|
| | 2018 | 2019 | 2020 | | 2018 | 2019 | 2020 | | 2018 | 2019 | 2020 | |
| BEL | 212 | 210 | 210 | 0.0% | 22.3 | 21.2 | 21.2 | 0.0% | 79.2 | 75.2 | 74.9 | -0.5% |
| BGR | 622 | 566 | 300 | -47.1% | 8.5 | 10.3 | 5.1 | -50.1% | 7.8 | 6.2 | 3.1 | -49.5% |
| CYP | 748 | 764 | 625 | -18.2% | 1.5 | 1.5 | 1.2 | -18.1% | 7.0 | 6.8 | 5.5 | -19.6% |
| DEU | 1,150 | 1,075 | 1,075 | 0.0% | 258.4 | 204.9 | 204.9 | 0.0% | 238.4 | 184.7 | 183.3 | -0.8% |
| DNK | 1,642 | 1,488 | 1,488 | 0.0% | 787.8 | 719.2 | 719.2 | 0.0% | 449.2 | 375.3 | 376.4 | 0.3% |
| ESP | 27,061 | 27,112 | 23,759 | -12.4% | 918.8 | 878.8 | 746.9 | -15.0% | 1,770.5 | 2,292.7 | 1,967.7 | -14.2% |
| EST | 266 | 238 | 238 | 0.0% | 66.9 | 66.2 | 66.2 | 0.0% | 14.4 | 14.4 | 14.5 | 0.8% |
| FIN | 230 | 217 | 217 | 0.0% | 147.6 | 135.1 | 135.1 | 0.0% | 34.8 | 35.1 | 35.1 | 0.1% |
| FRA | 7,817 | 7,419 | 6,316 | -14.9% | 570.8 | 549.1 | 404.2 | -26.4% | 1,339.2 | 1,231.4 | 965.4 | -21.6% |
| GRC | 18,342 | 20,031 | 13,106 | -34.6% | 68.2 | 71.2 | 46.6 | -34.7% | 426.6 | 452.6 | 291.8 | -35.5% |
| HRV | 3,122 | 3,118 | 3,202 | 2.7% | 69.4 | 63.3 | 64.8 | 2.4% | 59.6 | 57.6 | 59.8 | 3.9% |
| IRL | 2,745 | 2,830 | 2,402 | -15.1% | 220.3 | 208.5 | 178.1 | -14.6% | 277.3 | 265.7 | 222.2 | -16.4% |
| ITA | 19,841 | 19,555 | 16,402 | -16.1% | 199.9 | 194.2 | 160.8 | -17.2% | 936.5 | 874.0 | 732.8 | -16.2% |
| LTU | 365 | 361 | 277 | -23.3% | 70.2 | 104.0 | 79.5 | -23.6% | 57.1 | 82.9 | 62.1 | -25.1% |
| LVA | 288 | 245 | 198 | -19.2% | 70.4 | 69.6 | 56.4 | -19.0% | 20.2 | 17.6 | 14.1 | -20.0% |
| MLT | 594 | 592 | 533 | -10.0% | 2.7 | 2.4 | 2.2 | -10.1% | 13.5 | 12.3 | 10.6 | -13.6% |
| NLD | 1,686 | 1,493 | 1,258 | -15.7% | 403.3 | 316.3 | 265.1 | -16.2% | 424.2 | 334.2 | 279.6 | -16.3% |
| POL | 2,355 | 1,853 | 1,558 | -15.9% | 205.8 | 175.8 | 148.4 | -15.6% | 47.3 | 36.6 | 30.0 | -18.1% |
| PRT | 7,911 | 7,747 | 5,798 | -25.1% | 162.4 | 168.1 | 128.6 | -23.5% | 379.7 | 384.3 | 289.7 | -24.6% |
| ROU | 60 | 63 | 39 | -37.6% | 7.7 | 7.1 | 4.5 | -37.7% | 4.0 | 4.2 | 2.7 | -35.0% |
| SVN | 64 | 60 | 79 | 32.5% | 0.1 | 0.1 | 0.2 | 32.2% | 0.8 | 0.9 | 1.2 | 33.4% |
| SWE | 747 | 710 | 551 | -23.4% | 214.7 | 178.0 | 120.6 | -21.6% | 111.2 | 97.0 | 54.8 | -42.5% |
| EU 27 | 97,867 | 97,748 | 79,632 | -18.5% | 4,477.9 | 4,144.9 | 3,578.6 | -13.7% | 6,698.6 | 6,841.6 | 5,677.3 | -17.0% |

Source: own elaboration from STECF's 2020 AER.

Small-scale fisheries in Europe



Socioeconomic importance

- 82% fleet in number (70,400 vessels)
- 47% of employment (52,000 fishers)
- 14% of the value of landings (€ 943 million annually)

Provides EU markets with high quality fresh products

- High dependence in HORECA channels (food service industry, i.e., hotels, restaurants, cafes)

Rapid assessment COVID-19 on SSF



- Primary data collection (survey)
 - ▣ Representatives of SSF organizations
- Guiding research questions
 1. The socioeconomic impact of COVID-19 on the activity (of their associates),
 2. Impact on health and wellbeing,
 3. Measures adopted to face this crisis.
- 105 organizations
- 12 countries



Impacts of COVID-19 on SSF



Major economic loss (7*)

- Losses btw 20-100%
- High especially in the North of Europe
 - 80-100% in the case of shellfish
- High for fishers targeting high-value species (e.g., nephrops, lobsters, prawns, seabreams) all over Europe

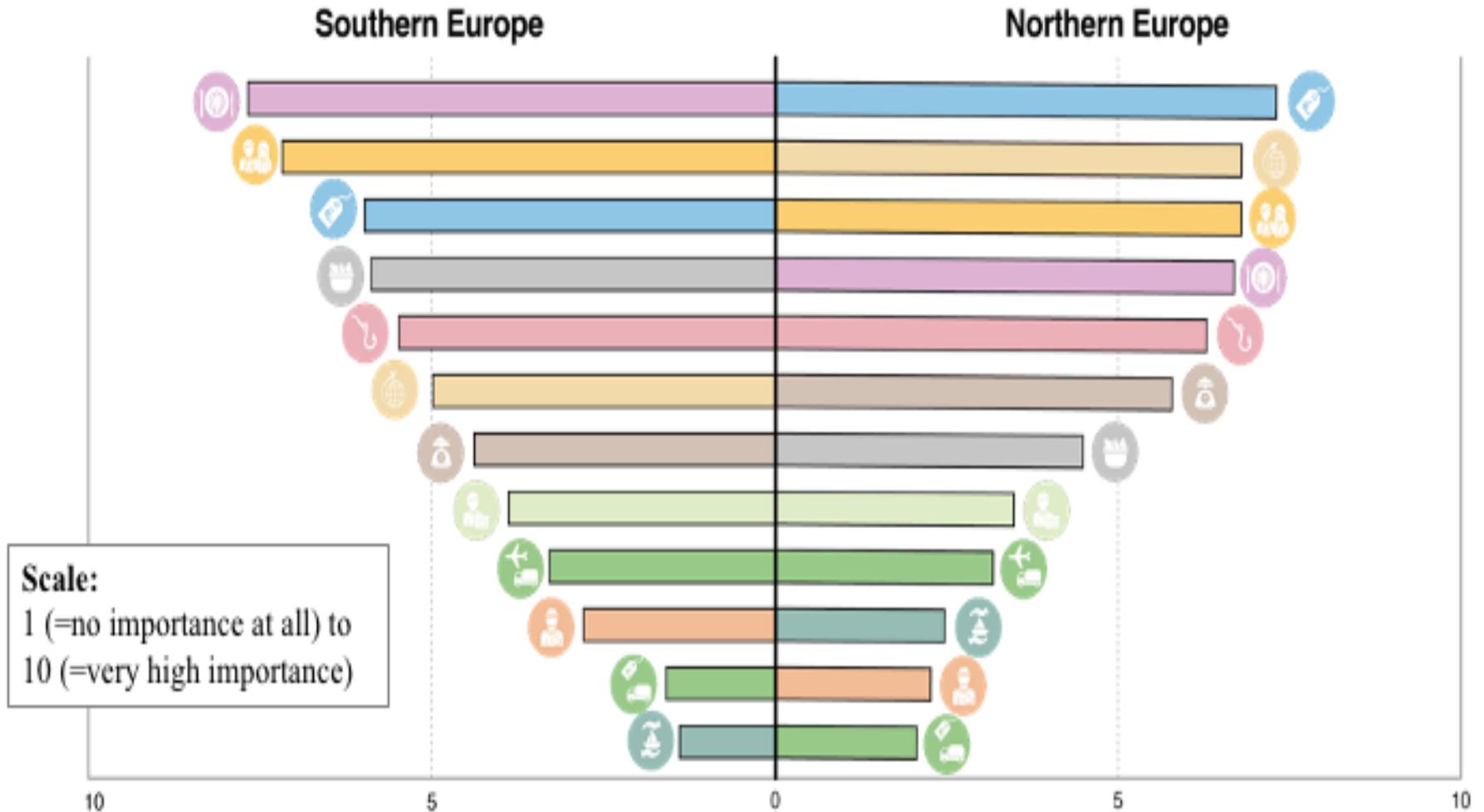


Low loss of jobs (4*)

- Some fishers in lay-off, some working for less pay, some sent on vacation
- Mostly a family business
- If it continues it will result in a loss in jobs

* **Scale:** 1 (=no loss at all) to 10 (=very high loss)

Socio-economic impacts caused by COVID-19 on SSF



Socio-economic impacts caused by COVID-19 on SSF



- Closure of HORECA channels
- Shift consumer demand from fresh to frozen/canned



- No exports to Spain, Italy & France
- Local buyers don't buy enough

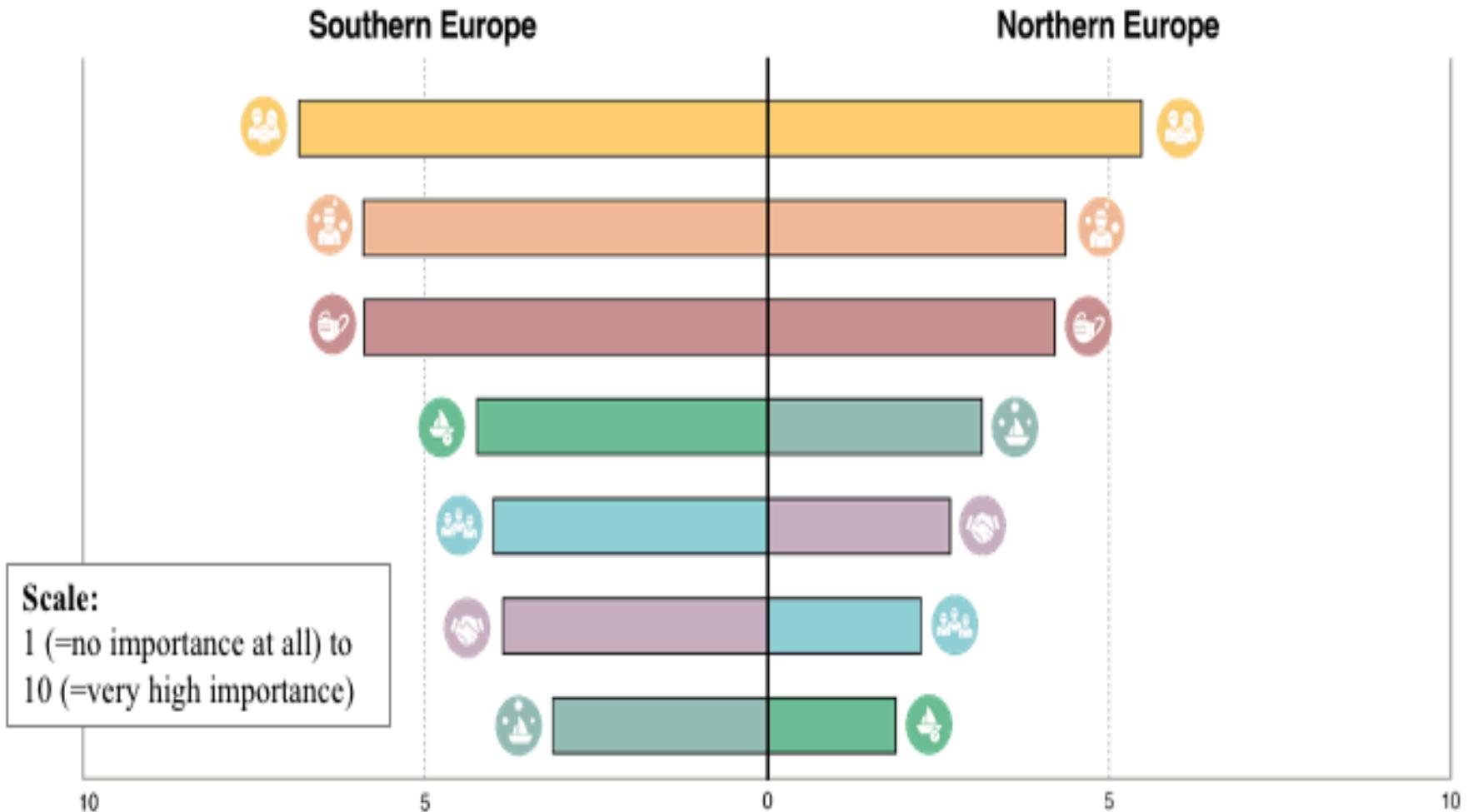


- Connected to loss of HORECA
- Cancellation of summer seafood festivals will have major impact



- Decrease price, specially of "luxury" seafood
- Decrease in demand at auction

Impacts on health and well-being caused by COVID-19 on SSF



Impacts on health and well-being caused by COVID-19 on SSF



- Older, vulnerable fishers staying home due to being at higher risk
- Younger fishers staying home for child support

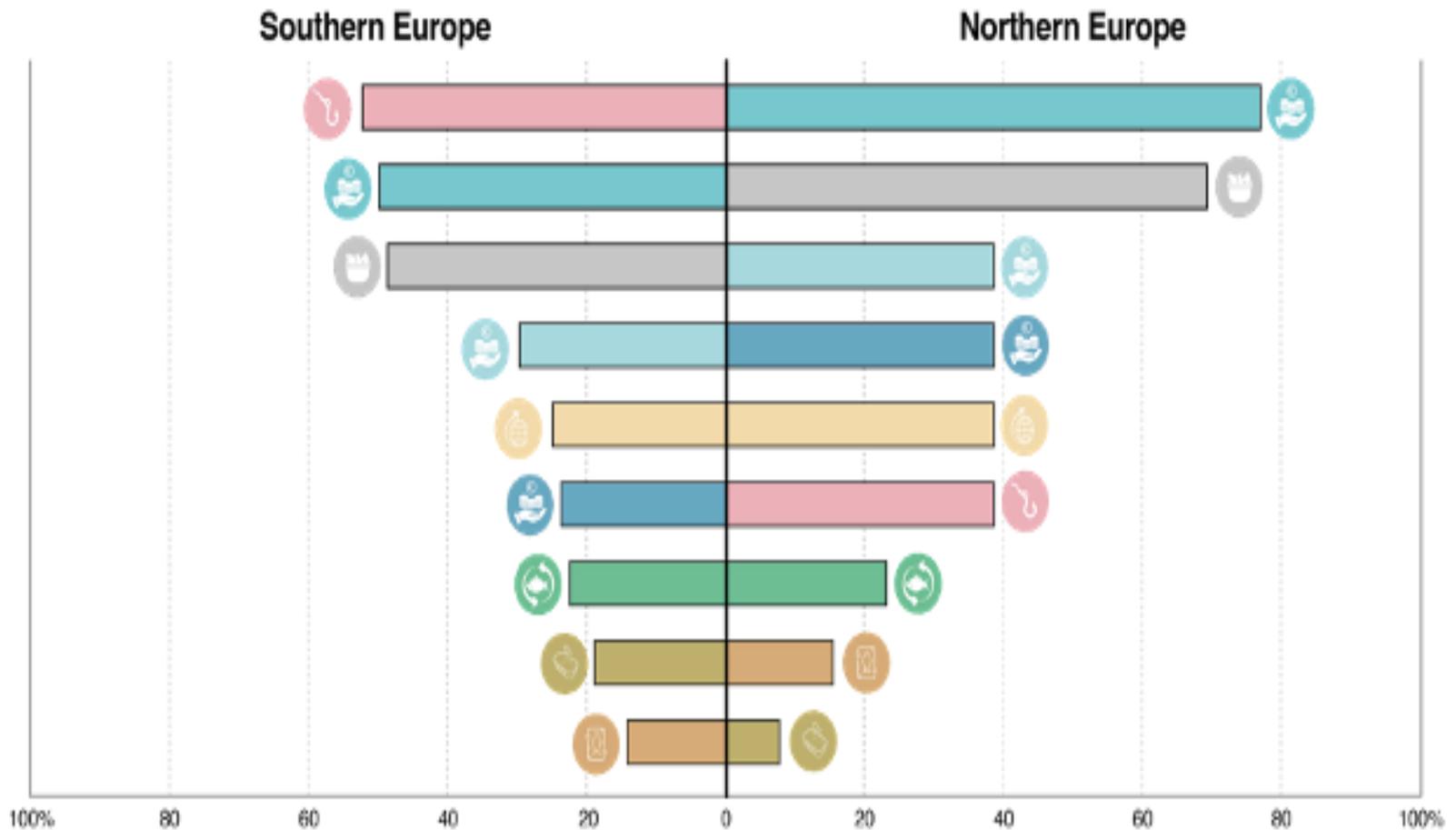


- Space confined in vessels
- No problem at sea, problem at landing sites



- Difficulty complying with security measures (social distancing)
- Difficulty accessing PPE

Measures adopted to face the COVID-19 crisis by SSF



Measures adopted to face the COVID-19 crisis by SSF



- Hard accessing to funds
- Extremely bureaucratic



- Increase online selling
- Fishbox schemes with more clients
- Selling door-to-door (South)



- Change target sp. to match market demand
- Rules make it diff. to shift target sp. (North)
- Fish less (little demand and decrease in prices)

Take home message (1)



- **Preliminary results** indicate a **decrease of 17%** in landed value in 2020 compared to 2019
- Overall, **a reduction in GVA of 16%** is expected for the EU fleet, which is **higher than the 8.3% GDP** reduction estimated by EU Commission for the whole EU-27 economy in 2020
- It is predicted that **the EU fleet as a whole continues to be profitable**, with gross and net profit margins of 26% and 14%, respectively. Results, however, **vary significantly by country, region and fishery**

Take home message (2)



- The economic crisis caused by the COVID-19 outbreak and subsequent lockdowns has presented a situation of:
 - **Weaker demand**, due to lower purchasing power and the closure of HORECA channels, with the subsequent drop in first sale prices,
 - **Price stabilization**, for example by supporting cold storage, since fishers, retailers and processors are also confronted with limited stocking capacity,
 - **Reduced fuel costs**, due to low fuel prices and less activity (26% drop compared to 2019), and
 - **Decreased fishing effort**, partly due to declining demand but also because sanitary measures (e.g. social distancing of crew members at sea) cannot be guaranteed for some fisheries leading to the cessation of activity and/or postponing fishing seasons.

Take home message (3)



- **SSF** have been more impacted by the **COVID-19** than **LSF**, which supply products of higher value, and often sold as fresh seafood, directly to restaurants
- Small-scale producers distributed and sell their products on **local markets directly** to end consumers (i.e. direct sales/home delivery) with help of **technologies**
- Another segment that also saw their demand reduced were the fleets that **export most of their production**, as some major markets such as **Spain, Italy and France** had been largely closed, especially in the first lockdown
- Cold storage was commonly used to stabilize prices when importing markets were closed or demand was too low in general, resulting in very low first-sale prices

Thank you



JRC SCIENCE FOR POLICY REPORT

Scientific, Technical and Economic
Committee for Fisheries (STECF)

The 2020 Annual Economic
Report on the EU Fishing Fleet
(STECF 20-06)

Edited by
Raul Prellezo
Natacha Carvalho
Jordi Guillen
2020



JRC SCIENCE FOR POLICY REPORT

Scientific, Technical and Economic
Committee for Fisheries (STECF)

The 2020 Annual Economic
Report on the EU Fishing Fleet
(STECF 20-06) Annex

Edited by
Natacha Carvalho
Raul Prellezo
Jordi Guillen
2020



European
Research
Council



sebastian.villasante@usc.es



@SebVillasante

Thank you

- SSF Project coordinators: C. Pita, S. Villasante, J. Pascual Fernández
- Co-authors: A. Said, A. Ruiz, A. Belgrano, A. García Allut, A. Murillas, D. Catelao, E. Tzanatos, G. Ainsworth, J. Ramón, J. Ghanawi, L. Goti, K. Roumbedakis, M. C. Magnano, M. Kaan, M. de la Torre Castro, M. Coll, M. Piron, O. Guyader, P. Pita, P. Salmi, R. Jacinto, R. Brennan, S. Raicevich, S. de Juna, S. Koning, T. Fonzeca, W. Östmar, V. Unal, V. Ketsilis-Rinis
- Representatives of 105 European small-scale fishing organizations



European
Research
Council



sebastian.villasante@usc.es



@SebVillasante