



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

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# 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



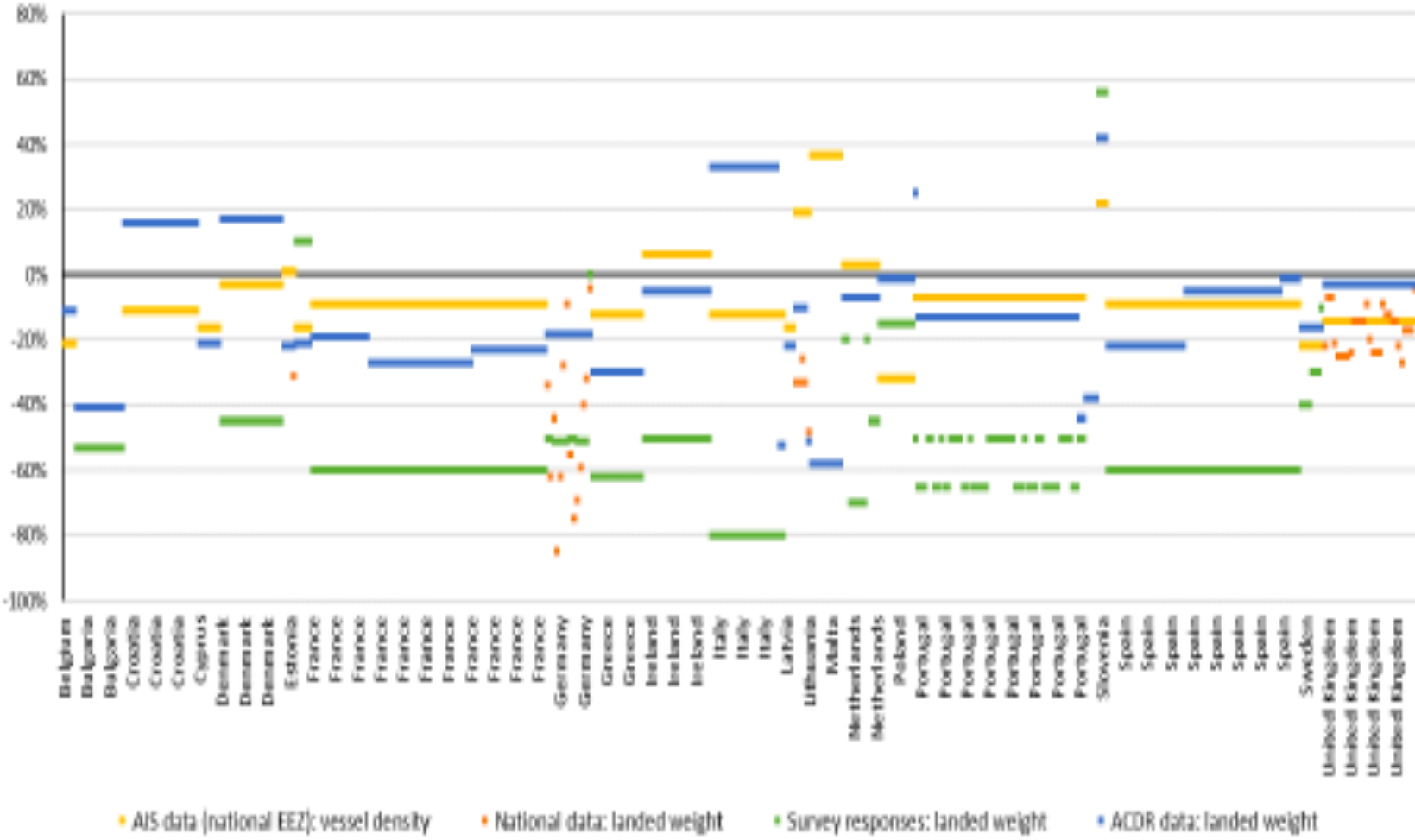
- We estimate the economic performance for 2020 considering the COVID-19 outbreak, as a result of applying all the sources of observed and anticipated drivers (e.g. changes in sales volumes, fish prices, and fuel prices) to the 2019 economic performance
- Data submitted by EU countries under the EU Data 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).

# A COVID-19 adjustment factor



# 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%
<b>EU 27</b>	<b>97,867</b>	<b>97,748</b>	<b>79,632</b>	<b>-18.5%</b>	<b>4,477.9</b>	<b>4,144.9</b>	<b>3,578.6</b>	<b>-13.7%</b>	<b>6,698.6</b>	<b>6,841.6</b>	<b>5,677.3</b>	<b>-17.0%</b>

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)

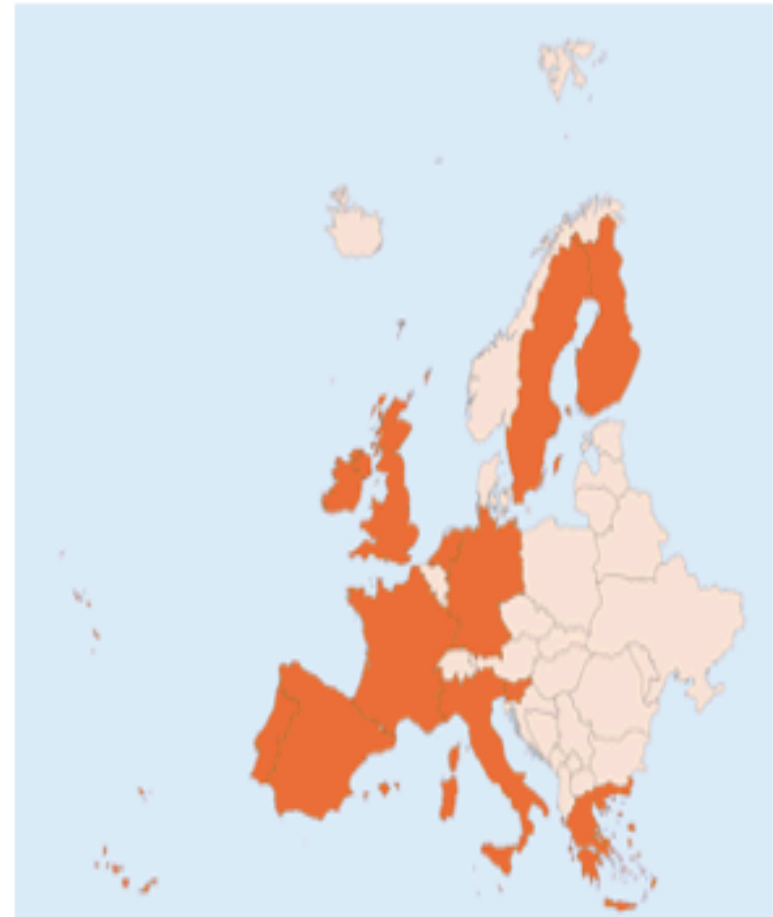
## Provides EU markets with high quality fresh products

- 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

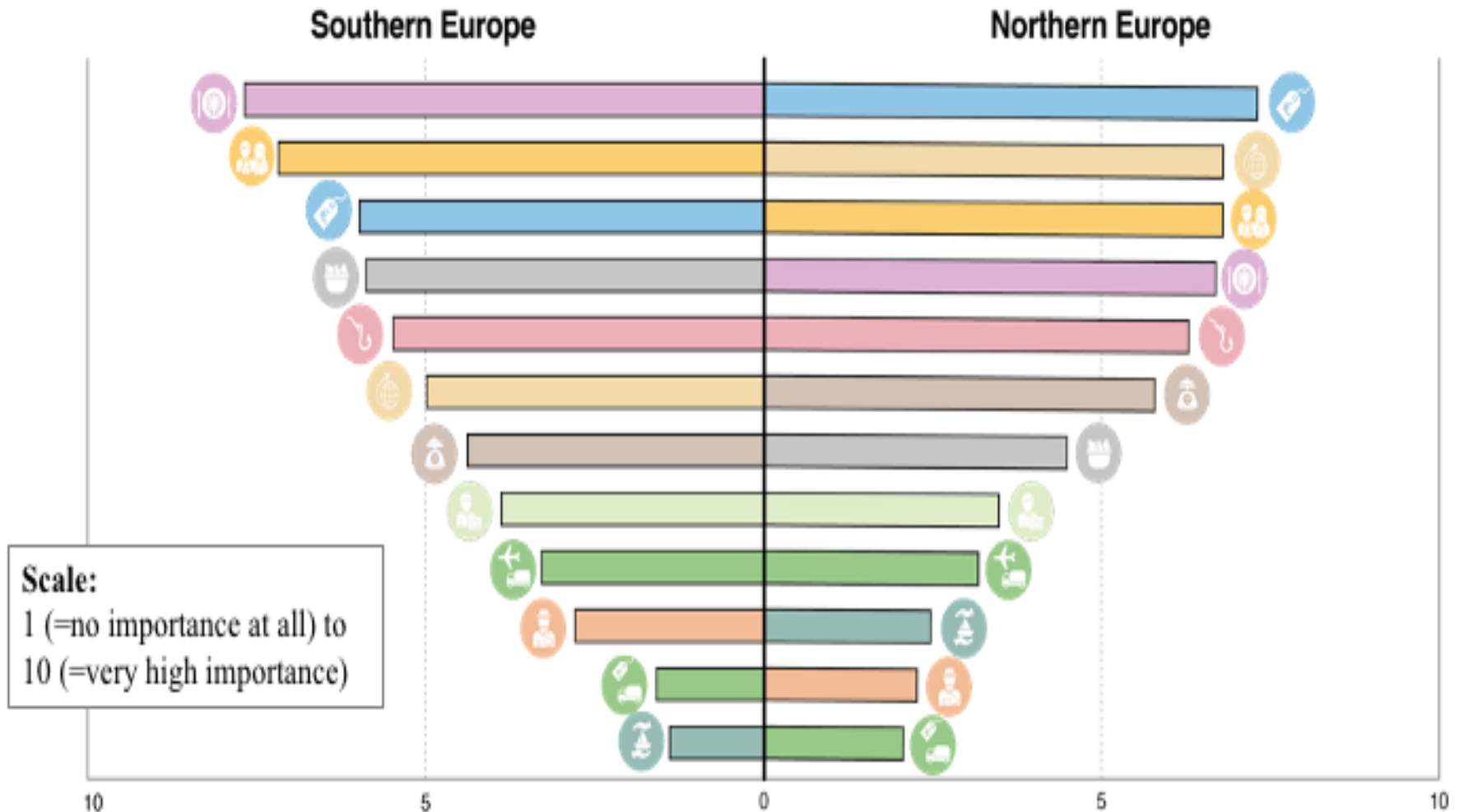


## Low loss of jobs (4\*)

- 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



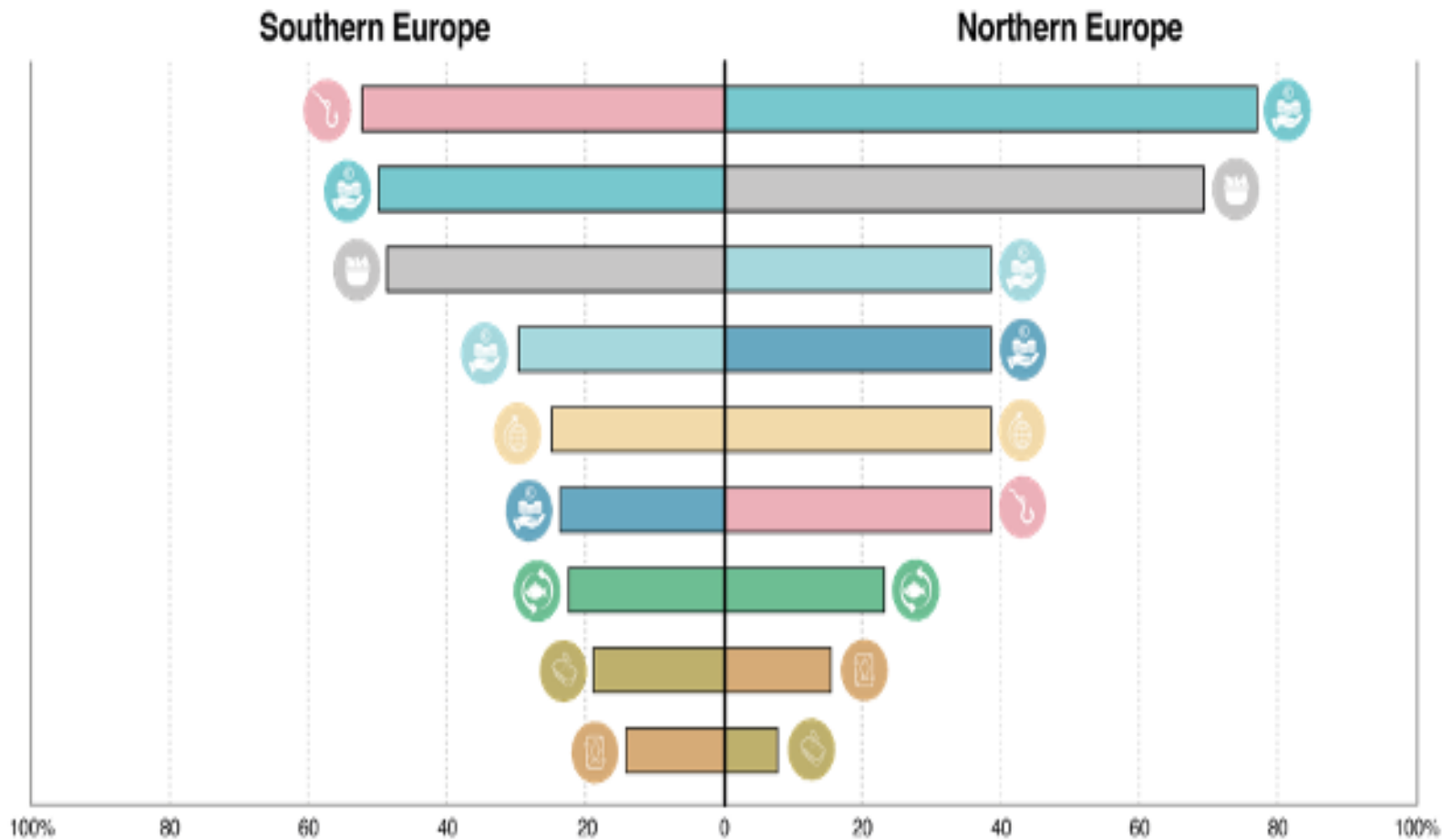
- Space confined in vessels
- No problem at sea, problem at landing sites



- 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



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Scientific, Technical and Economic  
Committee for Fisheries (STECF)

The 2020 Annual Economic  
Report on the EU Fishing Fleet  
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Edited by  
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# Thank you

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