

Fisheries sector: temporary specific action aiming to promote the restructuring of the EU fishing fleets affected by the economic crisis

2008/0144(CNS) - 08/07/2008 - Document attached to the procedure

This Commission communication presents a package of urgent restructuring measures aiming to tackle the fuel crisis in the fisheries sector.

Since 2002, marine fuel prices in the EU have increased by some 240%, and are now in many cases above EUR 0.7/litre. This has led to a severe economic crisis in certain segments of the EU fishing fleet, where fuel costs make up an extremely high proportion of revenues, in particular for vessels using towed gears (trawlers). In principle, fish prices should reflect these rising costs. However, first sale fish prices have continued to stagnate for the last decade and hence fishermen have not been able to pass their cost increases down the chain.

High oil prices are a structural problem which requires structural remedies. However, short term actions also need to be contemplated to ensure that the fishing sector is not completely wiped out.

The Commission is thus proposing an emergency package to address both the immediate situation of economic and social hardship and to make a long term contribution to tackling systemic overcapacity. This response must be EU-wide and co-ordinated in order to avoid distorting competition between Member States or fleets.

Four underlying principles are proposed:

- 1) ensuring an in-depth adaptation of the EU fleet towards economic and environmental sustainability;
- 2) providing immediate support to the sector to alleviate social and economic hardship;
- 3) focusing the bulk of the effort on very badly hit segments of the fleet through Fleet Adaptation Schemes;
- 4) ensuring coordinated EU intervention through an enhanced use of the EFF and possibly other EU funds and instruments.

Five main types of measures are proposed:

- 1) emergency measures, consisting principally of temporary cessation aid, to help fishermen cope with short-term pressures while the sector prepares a longer term strategy;
- 2) a whole new range of restructuring measures for fleet segments which sign up to Fleet Adaptation Schemes, to be adopted at national level;
- 3) horizontal measures which fall outside the Fleet Adaptation Schemes, including increased EFF aid-intensity for fuel-saving equipment, expertise in relation to energy audits and restructuring plans, expanding the rank of beneficiaries eligible for early retirement under the EFF, and promoting research on fuel saving technologies;

- 4) market measures under both the EFF and the Common Organisation of the Market, including a new price-monitoring observatory, and additional financial support for stakeholder-led initiatives;
- 5) measures designed to facilitate the use of the EFF, so as to ensure fast and targeted action by Member States.

In addition, the Communication also examines possible changes to the *de minimis* rules for the fisheries sector (EUR 30 000 *de minimis* aid per vessel instead of per firm, but with an overall cap of EUR 100 000 per enterprise), social aid in the form of decreased social security contributions, and the scope for additional funding outside of the EFF.