Fishing industry: improving the economic situation

2006/2110(INI) - 09/03/2006 - Non-legislative basic document

PURPOSE: Commission Communication on improving the economic situation in the fishing industry.

CONTENT: the reform of the Common Fisheries Policy, increased fuel prices, stagnating market prices and lower fishing yields, have all contributed to real hardship within the EU's fishing community. In this Communication, the Commission has identified the sources of these economic difficulties and suggests way in which these challenges can be addressed firstly, from a short-term perspective and secondly from a more long-term perspective.

Short-term rescue and restructuring: The principle means for addressing, on a short-term basis, the challenges facing the fishing industry would be through providing state aid to enterprises under the "Rescue and Restructuring Guidelines". This rescue aid has been defined as a short-term initiative and can be used to keep an ailing enterprise financially afloat for the time needed to work out a restructuring and liquidation plan. Such rescue aid, which may not last longer than six months, must take the form a reimbursable loan or guarantee. Where the rescue aid is followed by an approved restructuring plan, the rescue aid can be repaid with support received by the firm in the form of restructuring aid. Other sources of aid include measures for the modernisation of equipment. The exact requirements are set out in the Financial Instrument for Fisheries Guidance (FIFG) Regulation. The Commission also states that it is ready to examine national "rescue and restructuring aid schemes" for SME's set up in the Member States. As far as direct aid for fuel costs are concerned, the paper remarks that a "guarantee scheme" could be considered, whereby money paid in by the industry in favourable times could be repaid as compensation in the event of sudden increases in operating costs – such as fuel prices rises. However, such a scheme could only be approved if it were to provide guarantees of reimbursement of all public aid under commercial conditions, which in the current economic climate seems very unlikely.

Longer-term measures and initiatives: The long term prospects for the industry can only be assured in the context of recovered fish stocks and sustainable fishing practices. This can be achieved by improving fisheries management through tools such as moving toward "maximum sustainable yields" or MSY; better economic management of fisheries; improving the governance of the fisheries policy; matching fishing effort to available resources and improved enforcement and control. Other long term objectives include: stepping up the fight against illegal, unreported and unregulated fishing, preparing a code of conduct on fish trade in the EU as well as promoting research on fuel efficient and friendly fishing methods.

The report concludes by noting that there is no easy solution to the current difficulties faced by the EU's fishing industry. It is, however, possible to inject new life into the fishing industry.