Terms of Reference for STECF EWG- EWG 19-04 & 19-06 (EWG data check DCF fleet data and EWG for the production of the 2019 AER)

Background and general objectives

The AER has become one of the main sources of economic and social data for scientific advice on the performance of the EU fleets. It is also increasingly used by scientific bodies, national administrations and international institutions.

Given the increasing number of scientific uses of the AER and its growing complexity, there is a greater need to guarantee robust and precise data and their analysis as well as streamline the content of the report. This will mainly be achieved through:

- dedicated data checking exercise: https://datacollection.jrc.ec.europa.eu/data-analysis
- more concise and less descriptive chapters, supplemented by the JRC online data dissemination tool https://datacollection.jrc.ec.europa.eu/data-analysis/fleet/
- A continued effort to provide more analytical outcomes, notably on drivers of profitability and trends at the EU and regional levels.

The trimming down of the AER is intended to achieve a more balanced effort/product exercise, concentrating on the core tasks of the AER on the one hand, while freeing up time and resources on the other so that EWG experts can focus on more applied economic analyses. Frequently asked questions following the publication of the AER include for example why a particular fleet segment has shown greater/lower profitability, what the (possible/probable) underlining factors causing the increase/decrease in performance are, etc.

- In light of the above, the 2019 AER will provide a more in-depth look at the different factors driving the economic performance of the EU fleets with a special focus on the economic benefits of MSY (such as analysis of causality between stocks exploited sustainably and the improvement in the performance of the fleets). Also the recovery of stocks and implementation of management measures (such as analysis of causality between Landing obligation and economic performance). Economic impacts of choke-species situations. Other drivers may include changes in first sale prices and operational costs, structural and marketing measures. The analysis will be done at EU, region (North Sea, Baltic Sea, etc.) and MS levels.

This WG will be held alongside the EWG 19-03 (Social data in the EU Fisheries Sector) so that data experts involved in the data call submission can provide input in both EWG. Synergies between both EWG should be exploited.

Furthermore, STECF concluded that to improve the monitoring of the CFP, the Annual Economic Report 2019 EWG should assess the applicability of three proposed indicators: Return on fixed tangible assets (RoFTA), Net value added/Full time equivalent (NVA/FTE) and Net Profit Margin (NPM). The objective should be to do this at various levels of aggregation beyond the fleet segment (e.g. fishery, member state; region). The EWG on the improvement of the monitoring of the CFP also proposed an additional economic indicator to those above, the 'Economic Dependency Indicator (EDI)'. This indicator is also a

candidate for the inclusion in the indicators to assess the balance between fleet capacity and fishing opportunities and will be further tested there.

In this context, for the possible inclusion of economic indicators in the monitoring of the CFP, STECF should elaborate and test the four proposed economic indicators (STECF-18-15). The aim should be to analyse various levels of aggregation beyond the fleet segment (e.g. fishery, member state; region) and whether that would add valuable information for the monitoring of the CFP.

The 2019 AER will have specific section on the following fleet categories:

- A section on the EU small scale coastal fleets. This section will investigate the drivers/factors behind the trends of the small scale coastal fleets, whether there are regional differences and the possible reasons for these differences.

- EU distant water fleets: this section will include an overview of the employment, profitability and salaries for the EU distant water fleets distinguishing by main fishing areas (e.g. NAFO, ICCAT, IOTC).

- a section on the EU outermost regions. This section will include an overview of the employment, profitability and salaries across different outermost regions. It will also investigate the factors behind the trends identified.

- links between economic growth and resource use. This section will examine key drivers and indicators, in particular, landings per unit of effort, gross value added by the different fleets, first sale prices, labour and capital productivity. It will examine for example trends in resource efficiency, i.e. fish landed per fishing day or day at sea, improvements in energy efficiency, etc.

Specific objectives

The specific objectives and priorities for the two working groups are:

EWG 19-04: the first AER STECF meeting should lead to a data endorsement by the attending experts, detailed accounts of any data transmission (DT) issues and the drafting of concise national chapters. Estimates of economic performance for 2018 and beyond (if possible) should be carried out.

As a matter of priority, the EWG is requested to ensure that all unresolved data transmission (DT) issues and failures encountered prior to and during the EWG meeting are recorded on line via the Data Transmission Monitoring Tool (DTMT) available at:

 https://datacollection.jrc.ec.europa.eu/web/dcf/dtmt

Guidance on how DT issues should be inserted in the DTMT, log-on credentials and access rights will be provided separately by the STECF Secretariat focal point for the EWG.

The data transmission issues may be further assessed by EWG 19-06, to check if data transmission issues have been fixed with the latest uploaded data.

EWG 19-06: the second AER EWG meeting will focus on developing applied economic analysis based on the data submitted. In particular, experts will produce a synthesis on the trends and economic

results of the EU fishing fleet by sea-basin and aggregate it at EU level, and identify the main factors behind these trends.

Outline of the AER

STECF is requested to provide the Annual Economic Report on EU fishing fleets for 2019 including, the following sections:

STECF OBSERVATIONS

EXPERT WORKING GROUP REPORT

EU FLEET OVERVIEW

- Fleet structure
- Fishing activity and output
- Employment and average salaries
- Economic performance
- Resource productivity and efficiency
- Summary of the main drivers and trends
- EU small-scale coastal fleet segments (key socio-economic indicators)
- EU distant water and outermost region fleets (key socio-economic indicators)
- Assessment of the economic performance for 2018 and 2019

REGIONAL ANALYSIS

Baltic Sea, North Sea, North-east Atlantic, Mediterranean Sea, Black Sea, EU Outermost Regions (distinguishing different outermost regions) and Other Fishing Regions (distinguishing by main fishing areas such as NAFO, ICCAT, etc.).

NATIONAL CHAPTERS

Including a brief section on small-scale coastal fleet segments (key socioeconomic indicators) where relevant

Including a brief section on EU distant water fleets (key socio-economic indicators) where relevant

Including a brief section on socio-economic aspects, considering the new social data and economic links with the main fishing communities, where relevant.

ANNEX (METHODOLOGIES, GLOSSARY, ETC)

EWG structure, workflow and outputs

The first meeting will focus primarily on data quality and coverage. All data issues that may affect the quality and robustness of the analyses in the AER, and associated STECF reports (e.g. Balance) will be reported in the Data Transmission Monitoring Tool (DTMT). Any outstanding data issues not covered by EWG 19-04 will be followed up by EWG 19-06. This may occur if MSs submit revised data after EWG 19-06. That is, according to the data handling procedure, data submission may occur up to two weeks after the first meeting upon request of STECF or the JRC. EWG 19-04 will also produce final draft national chapters. The formulation of the national chapters is an integral part of the data checking process. Time and data permitting, preliminary analyses for the EU overview chapter will be carried out. EWG 19-06 will continue on from EWG 19-04 and produce final EU overview and Regional chapters. National chapters will be finalised if needed. Forecast projections for 2018 (Atlantic and Mediterranean) will be completed and incorporated into the various chapters.

All relevant documentation and data are available on the DCF_JRC or STCF websites or will be made available on a dedicated EWG FTP.

Relevant documents:

STECF 18-07 – The Economic Performance of the EU Fishing Fleet (2018 AER)
https://stecf.jrc.ec.europa.eu/reports/economic

STECF 18-15 - CFP monitoring - expansion of indicators.pdf (Version 1.3)
https://stecf.jrc.ec.europa.eu/reports/cfp-monitoring

STECF 18-14 - Assessment of balance indicators for key fleet segments and review of national reports on Member States efforts to achieve balance between fleet capacity and fishing opportunities

https://stecf.jrc.ec.europa.eu/reports/balance

Member States Annual Report on the National Data Collection Programmes
http://datacollection.jrc.ec.europa.eu/ars

Data-handling procedure for STECF Expert Working Groups

http://datacollection.jrc.ec.europa.eu