MEDAC - Registered Office Via XX Settembre, 20 - c/o MIPAAF - 00187 Rome (Italy) - Tax identification number 97534810581 - Association registered with the Prefecture of Rome as a legal entity n.1224/2017

Ref.81/2020 Rome, 23 March 2020

DESCRIPTION OF THE SITUATION IN THE FISHERIES SECTOR AND MARKETS

MEDAC members reported that many fishers across Europe, in particular the ones fishing near the coast, have stopped fishing or expect to stop within the next few days. This is happening because nobody is buying their fresh fish, as restaurants and fish markets are closed. Employed fishers are worried for the risk that fishing activities could start and then stop shortly again due to the entry into force of the biological rest periods.

In **Croatia**, the fisheries activities are almost ceased because in the fishing vessels the required minimum distance cannot be met, and the commercial opportunities are very few especially for demersal species. Around the 80% of whitefish is unsold. The transports, in terms of movements of persons and goods, including exports, are almost blocked. Consequently, many people have stopped working. Croatia is really penalized because the country is not in the Schengen area. Purse seiners are still working despite many difficulties because they fish for the processing industry. Nevertheless, they too will gradually stop fishing, most likely when the first sick people will be found in the fishing vessels or in the industries. The protection of workers requires stopping them. This level of country paralysis had not even been reached during the last war.

In **France** the bottlenecks in the market and the drop in prices of all fishery products, due to the safety measures needed for the COVI-19, no longer allow enterprises to break even and force them to stay docked. Many players in the marketing chain (wholesalers) have closed their businesses in order to keep their staff safe - or with regard to the closure of food outlets or fishmongers. In some areas, there are no more sales opportunities and the vessels can no longer sell their products.
The COVID-19 measures will lead to profound changes in the consumption of fishery products and thus have a cascading effect on the economic sustainability of the various sector of the production chain.
At the same time in France, the activity of European fishing vessels out of the EU waters is also hampered by the increase in the number of border closures at world level, because it already made impossible to take over the crew.
Social measures (unemployment) are not currently available to French fishermen and if they will become, they will not be available to everyone. In all cases they will be insufficient.

In **Greece**, the rapid proliferation of corona virus -19 and the measures taken in order to control it, have resulted in major financial and labour issues in the fishing sector.
The demand for fresh fish as well as the selling prices have collapsed: there is a manifest decrease of the purchasing power of the Greek consumers which is not only due to the real lack of financial resources, since many companies closed down and many people are unable to work, but also to the frugality of the consumers as a result of the uncertainty attributed to the nightmare we are going through.

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As a result, they choose other types of foodstuff which are much cheaper, and which have a long shelf life. Furthermore, many fishing boats of middle and coast fishing, that mainly or in part export their fish (shrimps, molluscs, tuna, swordfish) are facing threatening problems as a result of transportation difficulties and the isolation of the country.
Additional factors holding back the smooth operation of fishing boats and jeopardising their sustainability include the alarming decrease of intermediate buyers because of the closing down of many selling points and restaurants. The auctions are still operating since they are linked with the supply chain and in spite of the great decrease in consumption. Both the staff and the merchants show a strict compliance to the measures of personal protection decided by the government. Because of the nature of the establishments that attract many staff and visitors, it is not possible to know when their operation will be suspended and what the repercussions will be. Moreover, The ship owners are not able to decrease their staff since they have seasonal workers, most of the times from Egypt and they have been hired on the basis of transnational agreements with personal contracts. The employers have to pay their salaries and they do not have the possibility to lay them off since their repatriation is impossible. Finally, though the fishing period started on March 1st, many purse seiners have to stay at the port since the Egyptian workers cannot enter the country as a result of the closing down of the boundaries.
As a result of the above, fishing vessels of middle range fishery under operate and wither being unable to cover even a part of their operating expenses. In spite of the fact that they should continue operating even under such difficult conditions, since they have a major social mission producing a good which is necessary for the food chain, many of them have decided to opt for temporary cessation which most probably will be extended for the above-mentioned reasons.

In the **Italian** fishery sector, the main problems raised up since the first days of the emergency COVID-19 are as follows:
- the fish markets and wholesalers' closure, due to the minimum distance required in the last decrees for health security (droplet);
- the final consumers critically decreased and then the direct sale doesn't work, and fish shops are closed.

Almost all fishing gears stopped their activities:

- Trawlers, except some vessels fishing twice per week for the main national fish markets;
- In Liguria and Tuscany, the purse seiners are waiting to arm the fishing vessels (especially for small pelagics) because the risk of large quantities unsold;
- The purse seiners with fishing lights for small pelagics cannot really respect the minimum distances required by the decrees;
- Small scale artisanal fishing vessels limited the catches to the fishermen own use and few doorstep sales;
- Adriatic dredges for bivalve molluscs are remaining in port, few of them excepted.

In the fishing vessels the minimum distance required, and the weakness of personal protective equipment don't allow a safe work to the crew.

The fishing sector in **Slovenia** is at a temporary standstill. Only some small-scale fishers are working for self-consumption of few catches. Due to the closure of the main fish market and the little fish shops, fishers cannot sell their landings.

The expected effects for the fishing fleet in **Spain** are as follows:

- The reduction of demand and the consequent price declining due to the restaurants closure, the tourists decreasing, etc. This is affecting profitability of the ship owning companies, and then wages, auctions and other related services (ice etc.);
- Temporary or permanent closure of the enterprises due to the lack of profitability, which will cause the suspension of employment relationship or the reduction of working hours;
- Loss or heavy reduction of fishers' wages due to the payment method of the "parts";
- Reduction or total loss of the income due to the ordinary payments, such as taxes, loan repayments etc, and due to the payment requests that may be faced by the ship owning company, the workers, and the fishers associations for the auxiliary services for the fishing sector;
- Reduction or lack of means to solve the extraordinary expenses, such as repairs;
- Some of the professional fishers still active have children, who cannot stay with the grandparents because of the contagion risk. If both parents work, the children must be kept by someone.
- The fishing vessels dimension and the work methods don't allow to respect the minimum distance required between people, then the enterprises must be temporarily closed. In Spain fishers refuse to work on fishing vessels because of the risk due to COVID-19.

In Andalusia the 60% of fishing vessels is still active, nevertheless this percentage will keep going down. The prices of crustaceans and shellfish reduced up to 70% and fish to 50%. The buyers are decreasing day by day and the situation is very critical, both for trawlers enterprises and other gears. Regarding purse seiners, the price of small pelagics is still not really impacted by the COVID-19 effects. La Federaciòn de Cofradìas de Girona highlighted the same constraints and problems reported at national level, especially related to the reduction of consumers, prices, open markets and the consequent decrease of wages (by "parts") impacting through dismissals or reduction in hours per working day, or the enterprise closure.

SOCIO-ECONOMIC SUPPORT MEASURES ADOPTED BY THE GOVERNEMENTS

The **French Government** temporary suspended the regulatory work in progress, such as the revision of control regulation.

In **Italy** the last Ministerial Decree foresees extraordinary measures to support all the economic sectors, including fisheries. These measures will have to be increased in case of the emergency prolongation. Specific funds have been allocated to compensate fisheries undertakings and to ensure an income maintenance for fisheries workers.

The main economic measures adopted by the Italian government (decree n°18, 17 March 2020) foresee the following urgent economic supports:

- Establishment of a fund for the agricultural, fisheries and aquaculture enterprises with a budget of EUR 100 million in the year 2020 aimed, inter alia, to finance the temporary cessation of fishing activities, in accordance with the minimis rules on State aid, and following the criteria, methods and allocations to be defined by the Ministry of Agricultural food and Forestry Policies;
- Easier access to credit for SMEs, including fisheries enterprises;
- Provision of layoff for the whole national territory also for fishery and aquaculture, including the enterprises with more than one employee on board (the total available amount is 3,3 billion to be shared among regions);
- Strengthening of other ordinary income support instruments (e.g. the wage integration fund, which currently has been increased with a budget of more than EUR 1,3 billion);
- Extension to the end of June of all the taxes, administrative and social security deadlines, without sanctions and interests.

The **Slovenian** fishery sector is waiting for the EC measures needed to promptly mitigate the impact especially on the small-scale fishery.

In **Spain** the Real Decreto-ley 8/2020 (17th of March 2020) on extraordinary urgent measures facing the socio-economic impact of COVID-19 provides the following measures:

- 17 billion of euros have been mobilized specifically for vulnerable sectors;
- The ERTE (Temporary labor force adjustment) will be more flexible and will fall in the “force majeure” case, the employees will be paid by the unemployment fund even if they do not have a sufficient period of contribution and the payments received in this period will be not deemed as used up.
- Public guarantees to companies: an amount of 100 billion euros will be made available, from 100 billion euros to 200 billion, if the private sector is included. More than this, Spain will be the guarantor with additional 2 billion euros for export companies and for the restructuring the agricultural export credits.
- Moratorium on mortgages for debtors in a particularly vulnerable situation.
- Self-employed benefits: more flexibility in the access to the benefits for the activity closure and exemption from contribution for self-employed persons who do so. Self-employed persons with employees can apply for the ERTE.
- Postponement of tax liabilities falling in the period from 12 March 2020 to 30 May 2020, under specific conditions. The postponement shall be six months and no interest shall be due on late payment done in the first 3 months.

REQUESTS

First, it is required the temporary suspension of the European regulatory work in progress, such as the revision of control regulation.
Although the decision to relinquish this year's obligation to request refunding of unspent pre-financing for the EMFF is really welcomed, the use of this amount to support employed fisher's income should be monitored.
MEDAC supports the modification of the articles on mutual funds (for fisheries, Art. 35 of the EMFF) for the extension of the cases covered for the application of the temporary stops provided for "major health crisis" because this solution is the only one that Europe can quickly propose to organize production in order to allow the food supply of populations while securing businesses. Furthermore, in the same art. 35 of the Reg. (EU) 508/2014, the reduction to 20% of the financial intervention threshold should be foreseen in case of health public crisis, instead the ordinary 30%.
Other EMFF mechanisms that should be adapted to this critical situation include: the temporary closures provided at the art. 33 of the Reg. UE n°508/2014 should open to "major health crisis" and the storage aid schemes (Art. 67 accompanied by the former Art. 31 of OCM regulation n°1379/2013) should be reinstated for the markets.

MEDAC requests/suggestions to face the difficulties due to COVID-19 in the fishing sector:

- The socio-economical support to the fishing sector in this exceptional period should be an easy process without heavy bureaucracy. Moreover, the new measures of the EMFF and the other European funds should provide a rapid, effective and enough support to those impacted.
- The access to concessional credit should be facilitated;
- Provision of visibility to fishing enterprises in order to organize the production to meet the food demand of citizens without compromising the economic viability of the enterprises.
- Authorization without delay to operators of the direct sale guarantying the minimum distances set by the governments, improvement of price definition in the auctions and urgent implementation of telematic sales to the public with home delivery. In fact, the above-mentioned difficulties have already led to a price reduction of more than 50%.
- Flexible departure and arrival times for artisanal fishing vessels in order to avoid crowd at the moorings. Then, this flexibility should not cause an increase in fishing effort and the sales and/or action takes place once all the catches have been landed.
- Review the mechanism of the Special Regime for the Sea and the remuneration, guaranteeing the payment according to the weekly distribution of the "parts" between the crew and the shipowner. It is necessary to respect the labour rights of the entire crew regardless of whether they are shipowners or crew members, also in case of vessel quarantine.
- Replacement of workers older than 50 years who request it and training of young people knowing how to swim in order to join them to the crew and respect the minimum number on board.

- Cancellation of mortgage payment: the same measure adopted for unemployed people and first-time resident may be applied in respect of the mortgages payment by the shipowners that secured their vessel purchase through the mortgaging of their homes.
- An immediate and long-term moratorium on the payment of taxes, contributions and other public obligation is needed. The postponement of sanctions deadline is needed.
- Payment and/or advance of aid. In the fisheries sector, aid may be granted from Community funds such as Interreg med. Some administrations should provide the aid related to other years. Any aid that is due should be liquidated immediately.
- The broadening of FLAGs "Fisheries Local Action Groups" in any region located in the Mediterranean or in countries where COVID-19 has spread because up to now only few provinces can be covered by FLAGs funds. In facing such emergency, all regions, provinces and ports should be treated equally.
- Payment of aids to representatives of the fishery sector: associations, federations, employers' associations, trade unions, cooperatives and maritime clusters. Regional, national and EU administrations should pay any current debts to these organizations in order to guarantee the employment of their workers and the related services provided to the fisheries sector. The Community funds for Mediterranean countries most affected by COVID-19 must be made effective immediately in order to prevent the crisis of these organizations. Therefore, the EC is required to pay promptly to MS, Regions or Consortia that are carrying out European projects. Moreover, part of the project budget funds (40% at minimum) allocated to them should be advanced if the proposal or project has been approved on the basis of the "agreement" contract.

The aids granted by the MS to the professionals and the enterprises, should go beyond what is foreseen in the 2015 Guidelines in relation to the national fisheries aid, as amended in 2018, or beyond the limits of "de minimis" Regulation (EU) 717/2014, without being against the competition law.

MEDAC requests/suggestions to face the difficulties due to COVID-19 specifically in the fish markets

- Facilitate ERTE to the Concessionary Companies of fish markets;
- Exoneration of Port Taxes to fish market dealers;
- Deferral of tax obligations to OPPs and Associations.