

Support for the fishing and aquaculture sectors in the coronavirus crisis

Measures taken to limit the spread of the coronavirus pandemic, such as the closure of restaurants, open-air markets and limits on travel and tourism have had a strong impact on the food supply chain. Fisheries and aquaculture are among the sectors most immediately hit by the crisis. In order to alleviate the socio-economic impact, several measures have been or are in the process of being adopted by the EU. A number of emergency measures will help the fisheries and aquaculture sector, including increased possibilities for State aid and the introduction of support measures through the European Maritime and Fisheries Fund.

Impact

The fisheries, aquaculture and fish-processing industries are directly impacted by the variety of lockdown measures taken by many governments, such as the closure of restaurants, canteens, food markets and the strict limits imposed on travel and tourism. [Europêche](#), an association of national fishing enterprise organisations in the EU, [pointed](#) to both operational and commercial impacts, such as logistical difficulties in ports, increased freight prices for shipping of fish products, trade restrictions with third countries, a collapse in prices, loss of markets, concerns over crew safety and limited possibilities for crew rotation due to quarantines. Special COVID-19 [reports](#) from the European market observatory for fisheries and aquaculture products ([EUMOFA](#)) show strong market disruption in the second half of March 2020. During the chaotic week of 16 to 22 March, a strong drop in prices was noted, hitting especially hard small-scale **fisheries** selling mostly fresh fish. Data for the following weeks show that the industry has tried to adapt to the circumstances. In some countries, the sector has put in place temporary solutions, such as distance-selling, vessel rotation, a concentration on a smaller number of species, a reduction in volumes in order to stabilise prices, or only going out to fish with guaranteed sales of the catch. While the lower landing volumes have led to some price increases, overall, prices remain lower than normal. Various news articles reveal a heavy impact on fishing communities all over the EU. For example, a complete [halt](#) to fishing in some areas due to factors such as a lack of port activities, difficulties in applying social distancing on board and a change in consumer habits. In other [areas](#), the collapse of export markets came on top of other problems. In **aquaculture**, where production cannot easily be halted, the EUMOFA reports mention that information from the salmon industry indicates a higher share is being frozen and prices are decreasing. Companies typically selling mostly to the food-service sector, e.g. mussel companies, have a steep decline in turnover. The **processing** industry, relying heavily on imports, has reduced activities. The shrimp sector for example is suffering from both reduced supply, as important shrimp suppliers to the EU are under strict lockdown measures, and the loss of the food-service market. However, processors selling mostly to the retail sector are experiencing an increase in demand, especially for canned, frozen and smoked fish.

The Coronavirus Response Investment Initiative (CRII)

In order to deal with the socio-economic impact of the COVID-19 crisis, the EU has taken several [initiatives](#). One of the legislative proposals, the [Coronavirus Response Investment Initiative](#) (CRII), [proposed](#) by the Commission on 13 March 2020, already adopted by the co-legislators and [in force](#) since 1 April 2020, contains provisions specifically for the **fisheries and aquaculture sectors** and is aimed at quickly redirecting funds from the EU budget. The Commission will now not request the refunding of unspent European structural and investment funds (ESIF), including the European Maritime and Fisheries Fund ([EMFF](#)). Member States should normally have reimbursed a total of about €8 billion of the unused pre-financed amounts they received for 2019. EU Member States can now hold on to this unspent money and use it for their national co-financing which they would normally have had to provide themselves in order to receive the next tranches of their structural fund envelopes. Taking into account the average

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co-financing rates across Member States, this total of about €8 billion has the potential to trigger about €29 billion from the EU budget. Member States might also have remaining ESIF money after applying CRII, however the available amounts vary [greatly](#). In addition, the CRII Regulation amends Articles 35 and 57 of the EMFF on mutual insurance funds, in order to be able to provide compensation to fishermen and aquaculture farmers to cover economic losses due to a **public health crisis**.

Although the CRII measures were approved by [Council](#) and [Parliament](#) without amendment, they have been described as largely insufficient. As [noted](#) by the Chair of Parliament's Committee on Fisheries (PECH), mutual funds have only been envisaged in the [operational programmes](#) of a few countries. According to the latest [EMFF implementation](#) report, there have been no operations or expenditure under Article 35. The EMFF support under this measure would be in the form of a contribution or the costs of compensation paid out by the mutual fund, but not for the establishment or management of such a fund. In Ireland, due to [lack of interest](#) from the sector, the implementation of Article 35 had been abandoned and the amounts were reallocated elsewhere. The [fishing industry](#), the [Council of the EU](#) and [Members of the European Parliament](#) urged additional measures, especially financial support for temporary cessation of fishing and aquaculture activities and storage aid.

CRII+

On 2 April 2020, in response to stakeholders' [requests](#), the Commission adopted a new set of [measures](#) for the fishery and aquaculture sectors, as part of a new [CRII+ package](#) covering several legislative proposals. The [proposal](#) related to fisheries and aquaculture would amend the [EMFF](#) and the common market organisation ([CMO](#)) regulation to allow for

- support for the **temporary cessation of fishing activities** (as provided for under Article 33 of the EMFF Regulation) and support to aquaculture farmers for the **temporary suspension of production or additional costs** (Article 55 of the EMFF Regulation), **caused by the COVID-19 outbreak**, without the usual limits and with co-financing by the EU up to 75 %;
- support to producers for the private storage of fishery and aquaculture products (see Articles 30 and 31 of the CMO Regulation for **the storage aid mechanism** and the prices below which the storage aid is triggered, and Article 67 of the EMFF Regulation which previously ended this measure in 2019);
- more **flexibility** in reallocating financial resources within the **operational programmes** and a simplified procedure for amending them with respect to the new measures.

The expenditure to fight the coronavirus crisis through the above-mentioned measures would be retroactively eligible from 1 February until the end of 2020. The proposal was, in general, well received by the PECH committee, in an exchange of views with Virginijus Sinkevičius, European Commissioner for Environment, Oceans and Fisheries, during an extraordinary video-conference [meeting](#) on 7 April. Questions from Members focused on the implementation and eligibility of the measures but also on whether the threshold to carry over fishing quotas to the next year could be increased. The Commissioner believes the current inter-annual flexibility up to 10 % should be enough but this will depend on how much unused quota remains. Upon the committee's request, Parliament is expected to vote on this [proposal](#) under urgent procedure (under [Rule 163](#) of the Rules of Procedure), during the 16-17 April plenary session.

State aid and other measures

In addition to the measures mentioned above, specific support for the sector is available via the [temporary framework for State aid, communicated](#) by the Commission on 19 March. It allows Member States to support **fishery and aquaculture companies** by allowing State aid up to a level of [€120 000](#) per undertaking (previously up to €30 000) through direct grants, repayable advances or tax advantages. This temporary aid can immediately be applied by Member States and be granted until the end of the year. Other measures already available include existing EMFF measures from which the Commission highlighted, in an [information note](#), some ten other measures that could be used for expenditure to deal with the coronavirus crisis (for example financial support to [fisheries local action groups](#)). Obviously, other measures open to all economic sectors can also be used to the benefit of the fisheries, aquaculture and processing sectors, including, for instance, support through other structural funds or the €1 billion [unlocked](#) as a budget guarantee to the European Investment Fund (EIF) in support of SMEs.

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