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FISHERIES AND AQUACULTURE IN THE MEDITERRANEAN AND THE BLACK SEA: AN UPDATED ANALYSIS OF THE IMPACTS OF THE COVID-19 CRISIS

Since early March 2020, the COVID-19 pandemic has disrupted business as usual around the world with severe consequences affecting most industries in the Mediterranean and Black Sea region, not least of which, the fisheries and aquaculture sectors. As highlighted in the preliminary analysis carried out by the General Fisheries Commission for the Mediterranean (GFCM), which covered the critical early phase of the crisis, from March to April 2020, Mediterranean and Black Sea fisheries and aquaculture initially endured substantial decreases in operations and production and drastic drops in prices for fish products.

Four months since the first countries in the region began implementing emergency measures, the situation has evolved. The initial dramatic impacts experienced are attenuating and there are signs of recovery in some parts of the region as countries re-emerge from quarantine, restaurants and export markets reopen, and the measures implemented begin to take effect. However, demand remains volatile, affecting prices and production, and uncertainty persists, with the longer-term impacts of an economic downturn and a weak tourism sector expected to continue having an impact on fisheries and aquaculture.

This updated analysis seeks to document the evolving situation of the fisheries and aquaculture sectors in the Mediterranean and Black Sea region in light of the COVID-19 crisis, covering the period from mid-May 2020 to mid-June 2020. Following the same methodology as that of the preliminary analysis, this updated analysis draws on information shared by GFCM member countries and relevant partners, together with information complied through a review of relevant media articles and digital posts published during the reference period. The main findings are outlined below.

FISHERIES AND AQUACULTURE ACTIVITIES

Following the implementation of quarantine and other emergency measures, which led to an important initial decrease in the number of active vessels, most countries have since lifted restrictions that would specifically prevent vessels from operating. For example, in Spain, 55 percent of the fleet was active as of mid-May and in Italy, one of the countries that was initially hardest hit, fleets are operating as of mid-June in all parts of the country. However, in some cases, industrial fleets continue to be affected by ongoing travel restrictions which pose difficulties for managing migrant crews.

While vessels may now be operational, compared with the same period last year, reductions in the number of fishing days of between 10–50 percent have been observed in the region. These reductions are less driven by restrictions in place and are instead primarily a response to changing demand for fish products. In some cases where they are well organized, small-scale fisheries (SSF) have been more adept at matching their activity to existing demand, on some occasions limiting fishing trips when demand or prices are low, while on other occasions increasing fishing trips to match increased demand generated through marketing innovations (see the "Economic and market impacts" section below).

In general, aquaculture farms have continued to operate throughout the COVID-19 crisis, although our first analysis reported that, where possible, some farms limited operations in order to facilitate social distancing among employees. However, many aquaculture farms now face increasing costs and reduced revenue, with potential implications for continued operations.

PRODUCTION

During the first months of the COVID-19 crisis, capture fisheries production declined significantly. Four months later, while production continues to remain low, the situation has somewhat improved with the return of fishing activity and the reopening of some markets. As opposed to the initial decline in landings of more than 75 percent during the period from March to April, most countries are now observing a decline in capture fisheries landings of between 20–70 percent. In select cases, the change in fishing seasons has helped counter this reaction, such as the start of the rapa whelk season in Bulgaria and an earlier-than-expected arrival of sardines in the Turkish Aegean coast.

Aquaculture production remains highly variable depending on the species farmed and the market characteristics. As a whole, many aquaculture farms are facing an increasingly important production issue; namely, as a result of decreased demand, surplus fish remain in aquaculture cages and must continue to be fed, at additional cost to producers. This is the case in Greece where a surplus of 24 000 tonnes of fish is expected by the end of June. In some cases, such as in the south of France, producers have been successful in reducing production so that fish density inside the cages doesn't exceed healthy limits.

ECONOMIC AND MARKET IMPACTS

In line with the findings of the preliminary analysis, both fisheries and aquaculture continue to be affected by depressed demand resulting from the closure of export markets, the hotel, restaurant and catering (HoReCa) sector and the tourism industry in many parts of the region. However, since the second half of May, with the gradual lifting of restrictions in some countries, such as the reopening of restaurants and export markets, signs of recovery have been observed, including gradual increases in demand and a stabilization of prices. One of the biggest challenges for both the fisheries and aquaculture sectors is the uncertainty of future market conditions.

While household consumption of fresh and frozen fish increased in some countries during quarantine, for example in Spain where it increased by 33 and 41 percent respectively, this was not generally sufficient to compensate for losses from the HoReCa sector. Furthermore, at the beginning of the crisis excess supply not sold through the HoReCa sector was often absorbed by processing facilities and, ultimately, big retail chains. However, many processing facilities around the region are now operating at full capacity and are unable to store additional fish, thus depressing demand. This is the case in Bulgaria, where rapa whelk processing factories have had to decrease orders.

Demand has also been affected by external factors and issues along the supply chain. For example, in Turkey, a 20 percent increase in meat and poultry prices has resulted in increased consumer demand for cheaper oily fish species. On the other hand, throughout the region, including in Egypt and many European Union (EU) countries, weaker economies and rising unemployment have reduced consumer purchasing power and decreased demand for fish.

Demand has risen in countries where restaurants are reopening. However, uncertainty around new rules and sanitary measures, social distancing requirements that limit seating capacity and a lack of foreign tourists have meant that, in some cases, resumption of activities is slower than expected. This is the case in Italy where, despite being open for almost a month, restaurant activity reportedly remains below 50 percent of normal levels. Furthermore, the fisheries and aquaculture sectors – and in particular small-scale fisheries – are highly dependent on tourism as an essential market for their products. While in some countries domestic tourism is expected to buffer these losses, in other countries, particularly in the Black Sea, the lack of foreign tourists during the high-season summer months is expected to have significant impacts on revenue.

At a regional level, fish market prices are volatile. While some EU countries show signs of prices increasing and stabilizing, other countries, including Bosnia and Herzegovina, Egypt and Ukraine continue to observe a drop in prices between 4–50 percent for both fisheries and aquaculture products. Furthermore, low wholesale prices are not always passed on to consumers; a scenario which has only been aggravated by challenges along the supply chain due to COVID-19, resulting in decreasing first sale prices but increasing consumer prices in some cases. An example is in Italy where consumers have observed a 4 percent price increase in frozen fish.

Finally, innovative marketing strategies continue to play a key role in the survival of the fisheries and aquaculture sectors. The trend towards shortened, local value chains continues, with direct sales to consumers and home deliveries proving to be increasingly popular. In some countries such as Croatia, France, Italy and Tunisia, producer organizations have innovated to sell fish over the phone, text message or through dedicated apps or websites, with consumers collecting their orders directly from the fishers in the port or receiving deliveries direct to their homes. These marketing strategy adaptations have been particularly important for SSF, although some have pointed out it requires much longer working hours, fishing in the morning and making deliveries in the afternoon. Oversight is also needed to ensure direct selling does not encourage illegal, unreported and unregulated fishing. A more local retail strategy has also been important for the industrial fisheries and aquaculture sectors, with increases in local sourcing by large supermarket chains in Spain and Greece helping to offset losses from export markets and the HoReCa sector. For its part, FAO has been working to boost digital innovation in fisheries supply chains during the COVID-19 crisis, supporting the implementation of e-commerce tools, such as the digital auction platform recently launched in Oman.

EFFECT OF CHANGING ANTHROPOGENIC ACTIVITY ON THE MARINE ENVIRONMENT

While it is too early to tell what long-term effects the COVID-19 crisis might have on Mediterranean and Black Sea fish stocks, the pandemic has provided clear indications that anthropogenic activities put significant pressure on marine ecosystems, including by displacing marine animals from parts of their habitats and increasing turbulence and noise. Therefore, as a result of the reduction in maritime human activities over this period, including reduced fishing pressure and marine traffic, some short-term positive impacts for the marine environment have been observed. Anecdotal evidence from around the region has reported increased sightings of vulnerable species, including dolphins in the Bosphorus and higher than normal sightings of basking sharks in the western Mediterranean. Sea turtles have also been benefitting from quieter beaches to lay their eggs, including recently on a typically crowded beach near Rome, Italy.

An extensive Italian underwater survey carried out during the quarantine period – based on 100 hours of diving in 30 sites, along with 300 hours of hydrophone recordings – revealed more fish and quieter seas, as well as marine animals coming closer to ports and coasts. However, this survey also revealed that marine pollution is as high as ever and now includes masks, gloves and other litter directly related to the COVID-19 crisis. There also seems to have been an uptick in the use of disposable plastic packaging – much of which ends up in the sea – as shopping and eating habits changed during the pandemic.

MAIN RESPONSES BY COUNTRIES

Governments continue to introduce a wide range of measures in response to the COVID-19 crisis and in view of promoting health and safety, as well as to support the fisheries and aquaculture sectors in weathering the economic crisis.

Many countries are taking measures to drum up support for their domestic industries. France, Italy, Turkey and Ukraine are among the nations which have launched campaigns to inform the public that there is no evidence to support COVID-19 being transmitted by eating fish, and indeed that including fish in a healthy diet can help strengthen immune systems. In Spain, consumers are being urged to buy sustainable fish caught by national fleets to support the sector. The EU has also launched a new Farm to Fork strategy, which seeks to couple investment in sustainable, biodiverse and resilient food systems, including support for fishers and aquaculture farmers, with increased public awareness and demand for sustainable food.

The overwhelming majority of measures introduced in response to the COVID-19 crisis continue to be social protection measures and measures that ensure decent working conditions for fishers and aquaculture farmers.

Strict health and safety measures have been put in place in most countries throughout the region to protect fishers and aquaculture farmers, as well as other fish workers along the value chain and consumers. In Algeria, state and local committees ensure the implementation of strict virus control measures, with professionals employed to sterilise ports, boats and points of sale, while traders have been supplied with clean fish transport vehicles. Some 77 000 masks have been distributed to fishers. The strategy seems to be working: there have been no reported cases of COVID-19 in the ports where the measures are in place. In Morocco too, health and safety remains high on the agenda, with new governance tools announced in May to maintain strict measures throughout the fishing industry and along the supply chain, including continued COVID-19 testing for wholesale fish market traders. COVID-19 testing has also been prioritized in Spain, particularly for its long-distance fleet, with all crews on vessels away for trips of more than 10 days – or which are more than two hours away from medical assistance at sea – being given blood tests. The recreational fishing sector has also been opening back up around the region, including in France, Italy, Romania, Spain, Turkey and Ukraine, with strict hygiene measures including mandated use of masks and social distancing.

Many countries have also been focusing efforts on safely repatriating crews. The Spanish government has facilitated return flights for 200 crew members from tuna vessels in the Seychelles and is trying to help others in Senegal, Ivory Coast and Namibia. In Georgia, which was one of the first countries to adopt the International Maritime Organization (IMO) recommendations for preventing the spread of the pandemic, authorities have been working to secure the safe rotation and repatriation of more than 200 Georgian nationals from vessels around the world.

A range of social protection measures are being taken to support fishers, aquaculture farmers and their families in addressing economic hardship caused by the COVID-19 crisis. These measures vary widely from country to country.

Social protection measures have primarily taken the form of social assistance, with conditional and unconditional cash transfers being particularly common. At the EU level, additional measures and increased flexibility for the allocation of financial resources under the European Maritime and Fisheries Fund (EMFF) have been introduced. These measures are aimed at mitigating the socio-economic impact of the crisis and providing temporary support to stakeholders who have been forced to cease or reduce operations. The first funds from Bulgaria's assistance programme for its fisheries and aquaculture sector are due to be allocated in July, with a total of BGN 16 million (EUR 8.18 million) foreseen to be distributed. EU funds will also help compensate Croatian fishers for lost business, although it will take time for the funds to arrive. In France, financial assistance is being made available to vessel owners and aquaculture farmers who can prove they've stopped producing due to COVID-19. In Greece, cash transfer payments of EUR 800 have been promised, as well as compensation to fishers and aquaculture producers for losses in income related to COVID-19, although delivery to the estimated 35 000 fishing families that are in need has been slow. Furthermore, an additional EUR 15.2 million has been announced in Greece to support the SSF sector. In Italy, individual grants for fishers (linked to vessel size) are expected, whereas aquaculture farms are expected to receive a one-off payment of EUR 25 000. Similar examples also exist outside the EU. The Algerian government provided aid in the form of cash transfers of DZD 10 000 (EUR 70) to the families of fishers unable to work. In Egypt, the ministry is working with representatives of fishers and vessel owners to create a COVID-19 support package.

Beyond cash transfers, many administrations are working to promote loans and investment in the sector to build back better after the crisis. The Egyptian government is reviewing a development loan package to support SSF, paying 30 percent of loans taken to fund added value improvements such as refrigeration facilities or processing machinery. In Greece, measures are being introduced to support investment in construction and/or improvements to fishing vessels, making the process more flexible and less bureaucratic.

Similarly, governments have taken steps to reduce costs for fishers and/or ease bureaucracy. In Algeria, nearly 15 000 transport licences have been delivered to fishers and merchants to allow them to reach their place of work during lockdown. In Croatia, in some locations, mooring costs have been reduced. And in France, vessel owners can defer or adjust social and health payments for their crew without penalty.

Labour market programmes have also been put in place, particularly to support those fishers and aquaculture farmers who are unable to work. Many countries are providing assistance to furloughed or unemployed workers; such is the case in France, which is covering up to 70 percent of furloughed fisher salaries, and Croatia, where the government has committed to pay three to four months' salary to crews who have suspended their activity. In the Liguria region of Italy, efforts have been focused on providing training for workers to support them in returning to work both safely and productively.

NEXT STEPS

In line with the commitments made by the international community through the United Nations Sustainable Development Goals, numerous voices around the world have called on governments and stakeholders to build back better, decoupling COVID-19 recovery initiatives from overfishing and harmful subsidies and instead investing in the long-term sustainability and resilience of the sector. To further these discussions, the GFCM has been holding an online forum on Building fisheries and aquaculture resilience post COVID-19. The conclusions of these webinars, which focus in particular on institutional aspects, aquaculture and SSF, will support dialogue among GFCM members on common priorities and ultimately shape the post-2020 strategic vision for the Mediterranean and Black Sea region.

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