



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL FOR MARITIME AFFAIRS AND FISHERIES

The Director-General

Brussels,  
MARE/A4/ACS/Ares (2022)

**Subject: Break-even price in the STECF Annual Economic Report**

Dear Mr Sverdrup-Jensen,

Thank you for your letter of 4 October and for your interest in the 2022 Annual Economic Report (AER) of the EU fishing fleet. This report is produced by the experts of the Scientific Technical Economic Committee for Fisheries (STECF), based on official scientific and economic data provided by MS in the context of the EU Data Collection Framework.

In your letter, you referred to the estimate of break-even revenue for a fuel price EUR 1,17 per litre which was presented at the Market Advisory Council (September 19th). Please allow me to provide technical clarifications in relation to the interpretation of this figure.

First, this estimate is based on the gross profits indicator, as opposed to the net profits indicator. Gross profits are calculated by subtracting the operational costs from the revenues, and this shows the short-term private gains and therefore the short-term sustainability (viability) of the sector.

On the other hand, net profits are calculated by subtracting the capital costs from the gross profit. Capital costs comprise the depreciation of capital and opportunity cost of capital. This indicator is useful to inform on the long-term sustainability of the sector.

Therefore using the net profit indicators, the average break-even revenue for the overall EU fishing fleet is estimated in the region of EUR 0.6-0.7 per litre which coincides with the estimate that you referred to in your letter.

Second, it should be noted that this estimate is an EU average of all fleet segments and fishing regions. If we consider specific fleet segments, there is a high variability for this indicator with marked differences across the small-scale coastal fleets, large-scale fleet

Mr Esben Sverdrup-Jensen  
President  
European Association of Fish Producers Organisations  
H. Baelskaai 20  
B-8400 Oostende, Belgium

Commission européenne/Europese Commissie, 1049 Bruxelles/Brussel, BELGIQUE/BELGIË - Tel. +32 22991111  
Office: J-99 05/014 - Tel. direct line +32 229-50483

charlina.vitcheva@ec.europa.eu

and distant water fleets. These differences mirror the different cost structures and energy efficiency levels across the EU fleet segments.

I am also grateful for your offer to produce additional data and your request for STECF to produce estimates of break-even revenue specific for each fleet segment level. During the planning for the 2023 AER, my team will again discuss with STECF a general prioritisation of the sections and topics to be included in the terms of reference. This planning will consider your request as well as requests from other ACs and stakeholders taking into account the available resources and policy needs for the 2023 AER.

Furthermore, my team will continue to produce economic analysis and indicators to help to measure and monitor the progress on the economic sustainability and energy efficiency of the EU fishing industry.

Yours sincerely,

*(e-signed)*

Kestutis SADAUSKAS  
on behalf of Charlina VITCHEVA