



ECONOMIC FORUM

CORNWALL AND ISLES OF SCILLY ECONOMIC FORUM

Cornwall County Council & Cornwall and Isles of Scilly Economic Forum

CORNWALL AND ISLES OF SCILLY SECTOR PROFILE:

FISHING

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This research has been undertaken to update the previous sector profiles that had been requested by Cornwall Enterprise to stimulate a better understanding of their 10 priority sectors. This work will provide additional detail to underpin *Strategy and Action* in order to help to inform future decisions on the kind of support that is provided for local businesses and economic development projects.

“Over the last 10 years all sectors of the Cornish Fishing Industry have undergone many changes both on shore and at sea. The industry has rationalised as many businesses have left the sector but many of those that remain see a long-term future have invested in quota, newer boats or processing facilities. On the catching side, the fleet is now closely regulated by quota restrictions, satellite monitoring and effort control so that the Industry’s catching capacity is well matched to sustainably harvest the fish stocks of the South West approaches. On the shore side – the processing sector now collectively adds more value to the product before it leaves the County with much more primary and secondary processing taking place.

The Industry as a whole is much more aware of sustainability and environmental issues and has a good track record in working in partnership with NGOs and scientists. This work along with an emphasis on improving quality standards throughout the supply chain has positioned Cornish fish strongly to meet consumer demand for high quality, sustainable Seafood.

The Industry was therefore well positioned for a stable and profitable long-term future, but recent rises in the price of crude oil (and therefore marine diesel) have thrown this stability into turmoil as many of the larger trawlers are surviving on minimal and in some case negative profitability. If this situation continues further large scale restructuring of the catching sector is inevitable which in turn will have serious implications for the processing sector.” Nathan de Rozarieux, Project Director, Seafood Cornwall & Fisheries Resource Centre.

The Sector

- The narrow definition covers the fish catching sub-sector, the broad definition includes processing, wholesale and retail.

Headline facts

- In 2006 there were a total of 672 registered fishing vessels with a homeport in Cornwall & the Isles of Scilly.
- Seventeen percent of the fleet consists of vessels over 10 metres, compared to 23% of the UK fleet.
- Within Cornwall, Newlyn dominates the industry, accounting for 58% % of total value.
- In line with the situation across the UK, employment has declined in both absolute and relative terms.
- In 2006, there were 800 people employed in fishing, covering catching, processing, wholesale and retail.
- Earnings at the sector level are only available at a UK level (median gross weekly for all employees). In the processing sub-sector at £282 they are equal to 75% of the

median, with earnings in wholesale at £341 about 91% of the median. Median weekly gross employee earnings in 2007 for all employees equalled £375.

- In 2006, the overall GVA for the sector (narrow definition) was £23.3 million. The broad definition gives a figure of £26.5 million. These figures represent 0.3% and 0.4% of total GVA respectively.
- The total value of fish landings in Cornwall in 2006 was £31.7 million.
- The Cornish Fish Producers Organisation Ltd had 112 members with 106 vessels.

Overview

- There are other, wider benefits to communities from an active fishing industry that are hard to quantify, such as the social and cultural value and its impact on the image of a community for marketing of tourism and other local goods and services. (Pollard, 2003).
- In 2003, it was estimated that for every £1 of output, another £2 was generated through downstream activities – processing, merchants, and retail. (EKOS Consulting & Nautilus Consultants, 2003)
- The fishing industry is an important part of the UK economy, with one of the largest fleets and processing industries in Europe. However, it has faced tremendous upheaval in recent years. Quota cuts and decommissioning have resulted in a severe decline in the fishing activity in several traditional UK fishing communities. These difficulties have coincided with an increased awareness—and criticism—of the impact of commercial fishing on the marine environment. (House of Commons Select Committee, 2005).
- In 2006, the UK fishing industry had 6,372 fishing vessels compared with 8,073 in 1996, a reduction of 21 per cent. The fleet comprised 4,896 10 metre and under vessels and 1,476 over 10 metre vessels, down 13 per cent and 40 per cent respectively over the last 10 years. (Marine and Fisheries Agency, 2007).
- There were 12,934 fishermen in 2006. This is down 32 per cent since 1996 although there has been little change in recent years. (Marine and Fisheries Agency, 2007).
- UK vessels landed 614 thousand tonnes of sea fish (including shellfish) in 2006, with a value of £610 million. (Marine and Fisheries Agency, 2007).
- As well as fishermen, the UK has a substantial fish processing industry of around 570 businesses, which employ some 18,180 people. At the retail level there are approximately 1.3 thousand fishmongers, including mobile fish vans and market stalls. Around 85 per cent in volume and 80 per cent in value of chilled and frozen products are sold through supermarkets. This does not include canned produce. Fish is also consumed in restaurants and in take away form from fish and chip shops. A small proportion of the catch is used to make fish oils and animal feeds. (Marine and Fisheries Agency, 2007).
- The primary aim of the European Union's Common Fisheries Policy(CFP) is to ensure rational and sustainable exploitation of fish stocks through conservation and management policies designed to protect resources and reflect the needs of the fishing industry. Structural policies are aimed at improving the balance between catching capacity and available resources by addressing fishing effort. Conservation policies are aimed at regulating the quantities of fish caught, through a system of Total Allowable Catches (TACs) based on scientific advice. These TACs are allocated as quotas to EU Member States in accordance with fixed keys based on historic fishing rights. They are complemented by a series of technical conservation measures

intended to achieve more selective fishing, for example by setting rules on minimum landing sizes, minimum mesh sizes and gear design, as well as defining areas of seasonal closures, methods of fishing and target species. Opportunities to fish in third country waters are also secured through the CFP. (Marine and Fisheries Agency, 2007).

- In 2006 the average annual price of fish was £1,185 per tonne. This is a 28 per cent increase on 2005. In 2006, the average annual price for demersal fish increased by 19 per cent to £1,313 per tonne; the price of pelagic fish increased by 8 per cent to £506 per tonne; and the total shellfish price increased by 20 per cent to £1,778 per tonne. (Marine and Fisheries Agency, 2007).

Output

- In 2006 approximately 12,500 tonnes of fish was landed in Cornish ports. This comprised 5,544 tonnes of demersal, 1,804 tonnes of pelagic and 5141 tonnes of shellfish.
- The total value of these landings equalled £31.7m.
- Newlyn is the largest fishing port in Cornwall, with 8.3 million tonnes landed with a value of £18.5 million – 58% of the total.
- In terms of value, Newlyn ranks fifth amongst UK ports.
- Five species account for over half of output by value – Monks £3.8, Crabs £3.7, Scallops £3.3, Sole £2.9, and Megrim 2.7.
- The fishing sector in Cornwall depends upon a number of high value species. The average price for all fish was £1185 per tonne. Table 1 shows the average price of the main species landed in Cornwall.

Table 1 Prices of main species landed in Cornwall

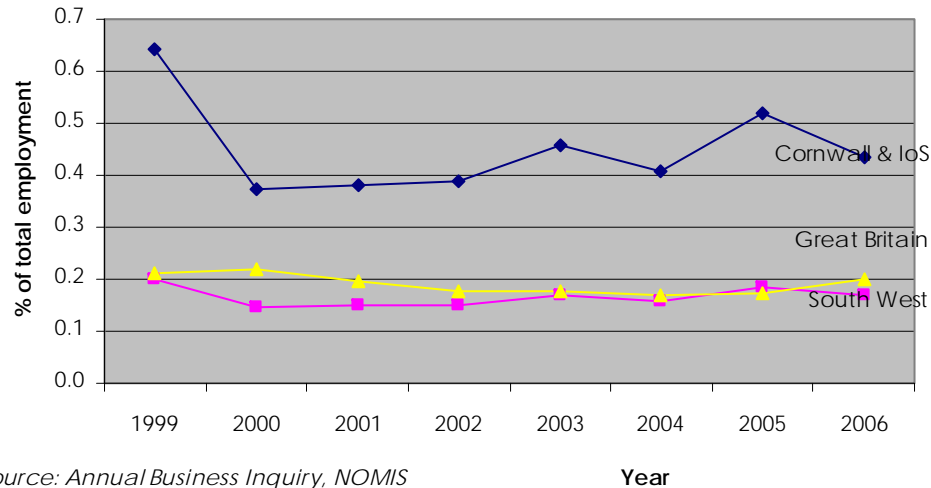
	Soles	Megrims	Monks or Anglers	Scallops	Crabs
Species					
£ - tonne	7,743	2,715	2,625	1,770	1,301

Table 1

Employment

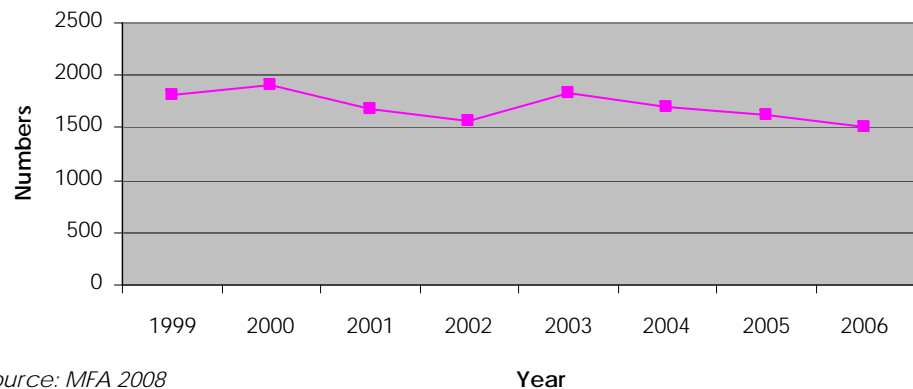
- There are 800 employee jobs in the broad fishing sector in Cornwall.
- The main categories within the sector are fishing (36%), and wholesale of other food including fish, crustaceans and molluscs (18%).
- Between 1999 and 2006 employment in the fishing sector in Cornwall declined by 13%, compared to declines of 6% and 17% across the SW and GB.
- Fig. 1 compares employment in the sector as a percentage of total employment in Cornwall with that across the SW and GB. This shows that Cornwall is more dependent on the sector than elsewhere.

Fig. 1 Fishing employment as a % of total



Source: Annual Business Inquiry, NOMIS

Fig. 2 Fishermen in Cornwall



Source: MFA 2008

- There has been a slight shift from full-time to part-time employees, together with a shift from male to female employment.
- Data from the Marine Fisheries Agency provides an outline of the number of fishermen in Cornwall. There are approximately 1500 fishermen in Cornwall. Since 1999, despite fluctuations, there has been an overall decline of 30% in numbers.
- 1200 fishermen, (80% of the total), are located in Newlyn.

- As Fig. 2 shows, there has been a decline in employment, when measured as a proportion of total employment. This is in line with declines across both the SW and GB.

Business Units (Broad)

- There are 400 business units in the fishing sector in Cornwall.
- Between 1999 and 2006 the number of business units in Cornwall declined by 15%.
- The rate of increase was above that experienced across both the SW (13%) and Britain (8%) during the same period.
- There is a concentration of units in the 1-10 sizeband in Cornwall (97%), which is higher than that found across the SW (94%) or GB (92%).
- Whereas across the SW and GB less than 50% of employees are employed in units employing between 1-10 employees (SW 40% and GB 32%), in Cornwall 63% are employed within this category.
- Business units in the fishing sector are smaller than the average. Each data unit employs 6 employees compared to an average of 8.9 per unit across Cornwall.
- Fishing units across GB employ on average 5.8 employees.

Fishing fleet

- In 2006 there were a total of 672 registered fishing vessels with a homeport in Cornwall & the Isles of Scilly. A further 28 vessels registered at Newlyn were based elsewhere.
- The existing fleet can be split between 112 vessels that are over 10 metres and 560 vessels that are less than 10 metres in length. This compares to 137 vessels over 10 metres and 578 vessels that are less than 10 metres in length in 2001.
- Newlyn had the largest number of vessels – 172, accounting for 25.6% of the total, followed by Mevagissey (77) and St. Ives (51).
- Of the 112 vessels over 10 metres, 61 were based in Newlyn.
- In 2008 there were a total of 681 registered fishing vessels with a homeport in Cornwall & the Isles of Scilly. A further 26 vessels registered at Newlyn were based elsewhere. The existing fleet can be split between 108 vessels that are over 10 metres and 573 vessels that are less than 10 metres in length.
- The Cornish Fish Producers Organisation Ltd had 112 members with 106 vessels.

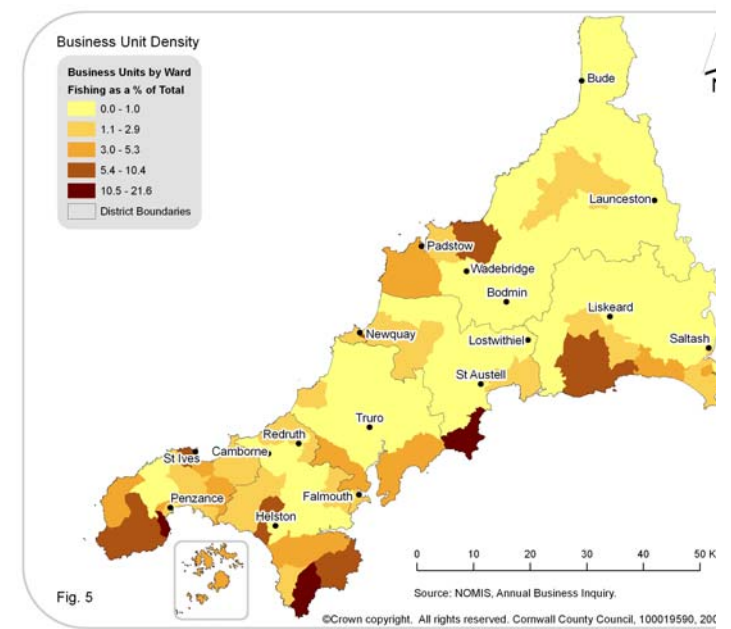
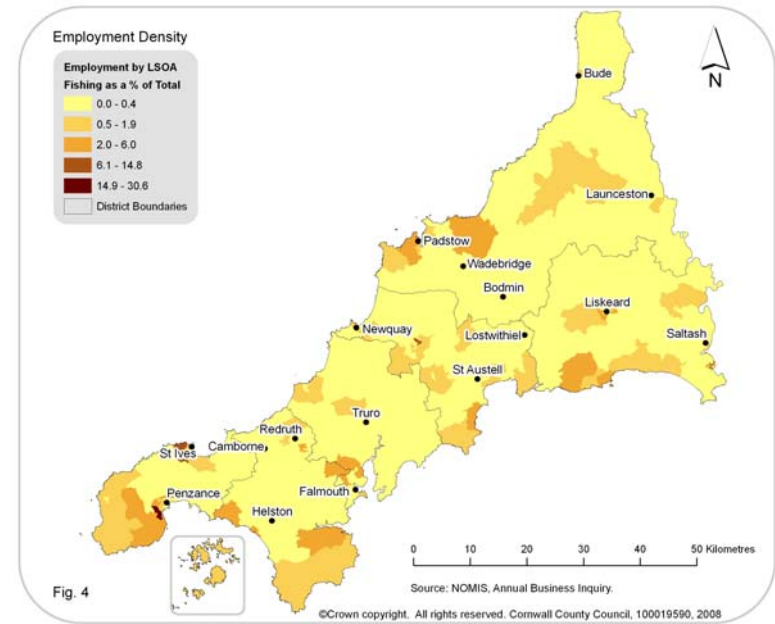
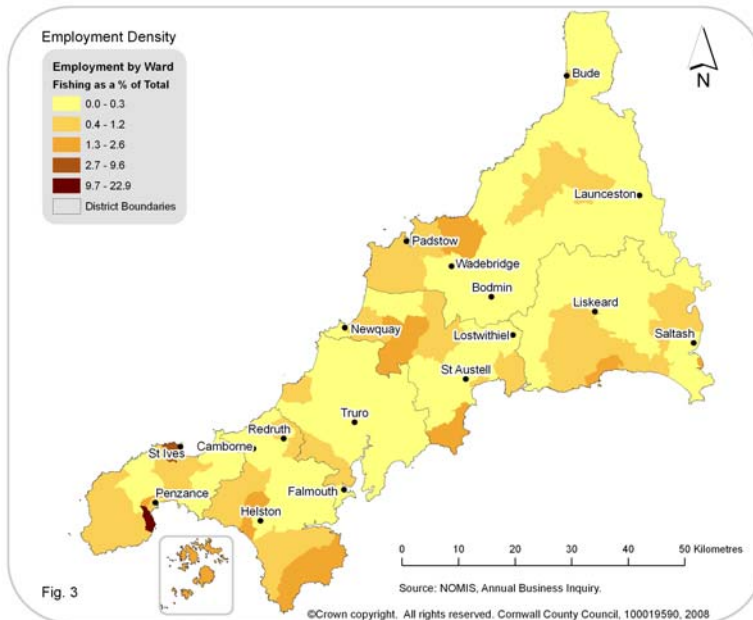
Business Units

- In 2006 there were 400 business units in the sector in Cornwall.
- Three-quarters of these are involved in fish catching.
- The fishing sector accounts for 1.9% of all business units in Cornwall. This compares with 0.5% across the South West and 0.3% across GB.

Spatial distribution

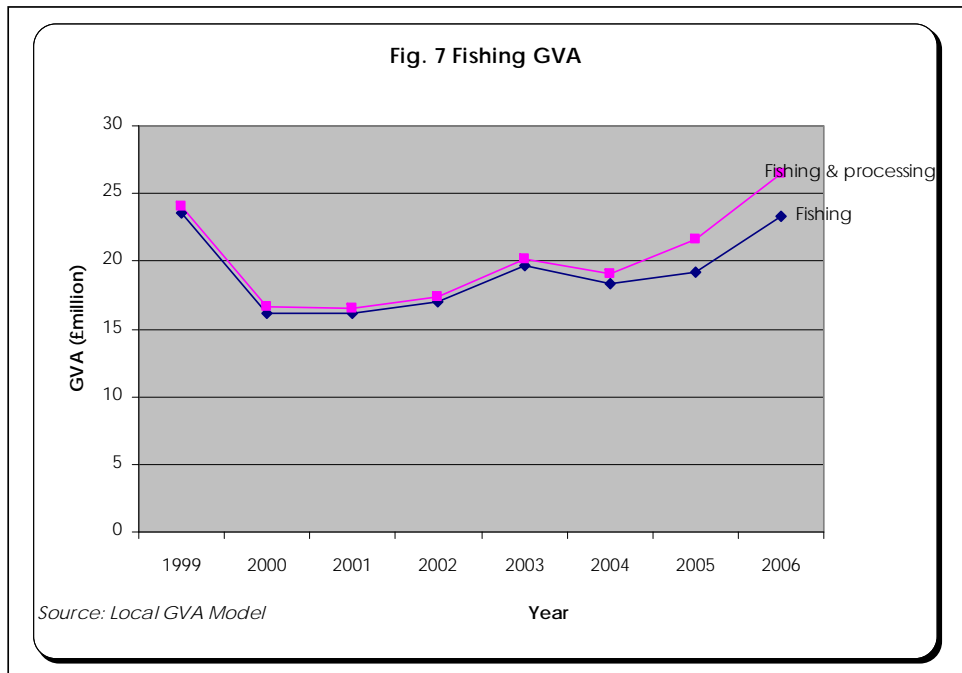
- The largest number of employee jobs are located in Penzance South, accounting for nearly a quarter of the total. This ward is also the most dependent on fishing employment. NB. It is the location of Newlyn.

- There are six LSOAs where 5% or more of employees work in the fishing sector - Newlyn West, Newlyn East, St Ives Helleveor and Halsetown, Indian Queens and St Columb Road, Torpoint East Ward West and Looe West and Hannafore.
- A quarter of those employed work in Newlyn.
- The largest number of business units are located in Penzance South, followed by Looe and St. Martin and Mevagissey.
- Wards with over ten percent of units involved in the sector are: Penzance South (22%), Grade-Ruan and Landewednack (15%), Mevagissey (13%), St Keverne and Looe and St Martin (10%).
- A third of all units involved in the sector are located in 12 coastal LSOAs, They include LSOAs in Newlyn, Looe and Mevagissey.
- There are fifteen LSOAs where units engaged in fishing constitute 10% or more of units.
- The top five LSOAs with a concentration of units are: Newlyn West (28%), Mevagissey North and Pentewan (20%), Newlyn East (18%), Looe East and Plaidy (18%), and Looe West and Hannafore (17%).



Gross Value Added

- The fishing sector in Cornwall has shown a decline in GVA in absolute terms (as shown in fig. 7) the sector has grown from £23.6 million in 1999 to £23.3 million in 2006.
- In relative terms the contribution made by fishing to total GVA fell from 0.6 to 0.3%.
- In 2006, the sector made up 0.3% of the economy in Cornwall. In 2004 fishing contributed 0.3% compared to 0.04% nationally.
- Since 1999, the annual growth rate in GVA has been -0.2% compared to the 7.9% growth in GVA across all sectors in Cornwall.
- The broad fishing sector in Cornwall has shown an increase in GVA in absolute terms (as shown in Fig. 7) the sector has grown from £24.1 million in 1999 to £26.5 million in 2006.
- In relative terms the contribution made by fishing to total GVA fell from 0.6 to 0.4%.
- In 2006, the sector made up 0.4% of the economy in Cornwall.
- Since 1999, the annual growth rate in GVA has been 1.4% compared to the 7.9% growth in GVA across all sectors in Cornwall.



Productivity

- Productivity, measured by GVA per worker, equalled £31,300 or 114% of the average across Cornwall.
- Productivity, measured by GVA per Full Time Equivalent (FTE), equalled £34,300, close to the average across Cornwall

Earnings

- Employee earnings levels in the fishing sector for the UK are as a whole are unavailable, however in the processing sub-sector they are equal to 75% of the median) with earnings in wholesale about 91% of the median.

NB Earnings data by employment sector only available at a UK level.

Additional research required/data issues

Compilation of this profile has indicated a number of gaps in data available.

Caveats:

The size of the sector in this profile may differ to other research as each sector is made up by aggregating a number of other "subsectors" (see notes for employment SIC sectors incorporated in this profile). Other studies may use a broader or narrower definition.

Totals from each profile should not be added as data included within one profile may also be included within another profile. For example, 3220 - Manufacture of television and radio transmitters... and 3230 - Manufacture of television and radio receivers ..., are included in both the ICT sector profile and the Creative Industries (Broad) sector profile. Fish processing is included in both food and drink and fishing.

This profile only analyses the *economic* value of a sector. The social, cultural and environmental value of a sector should also be thoroughly considered.

Sector definitions used in this profile may vary slightly between GVA and employment as the GVA data does not have such a detailed sector breakdown. This is because calculating GVA on a local level relies upon numerous data sources, some of which are only available at a broad sector level. For this reason, it has not been possible to include GVA data for some of the more specific or cross-cutting sectors without further extensive research. In addition, the national accounting system's classification limits the way in which we can understand the economy, for example, for the marine profile surf shops and wetsuit manufacturing cannot be drawn from the current structure, they are included in retail and rubber manufacturing, respectively. Again, further extensive research would be required to penetrate this detail.

All data in this profile refers to workplace.

Business units

Business units, in this publication, refer to business premises and/or head offices. This is the most comprehensive measure of activity as it incorporates counts of individual branches or sites – this is more useful than mapping the enterprise or business alone as this would only provide a count of the location of each head office.

The source of the business units data is the Inter-Departmental Business Register. This register is produced by the Office for National Statistics using VAT (value added tax) and PAYE (pay as you earn) records, therefore, it captures all businesses that either trade over the VAT threshold – for 2006 a turnover of 61,000, and/or are PAYE registered – employ at least one member of staff who earns more than £94/week, or £408/month.

Annual Business Inquiry (ABI) - Employee Analysis, Workplace Analysis

Data source: NOMIS. Based on a sample.

Discontinuities in 2003 and 2006 make comparisons difficult over a period of time. The 2006 discontinuity means that comparisons of the 2006 ABI employment estimates with earlier years do not provide a reliable comparison.

Elements contributing to the discontinuity include:

1. Change in reference date from December to September.
2. Use of Business Register Survey data within the ABI/1 results.
3. Change to the Minimum Domain Methodology.

NOMIS state that *'It is not possible to measure the impact of the changes made precisely, however the scale of the overall discontinuity between the 2005 and 2006 ABI/1 is estimated to be in the range of 150,000 to 350,000 (0.6 to 1.3 per cent of the total number of employees) in a downward direction.'*

All employment data from the ABI employee analysis has been rounded to the nearest 100 in line with release of data rules.

Geographical anomalies

Data from different sources differs in its geographical coverage. The ABI covers Great Britain, ASHE data covers the United Kingdom.

Earnings data

Earnings data by employment sector is only available at a UK level. Earnings levels in Cornwall are substantially lower and although it is expected that the difference applies across all sectors, the exact relationship is unknown, therefore care should be taken in interpreting the data.

Data:

Output

Output in Cornwall

	Tonnes	Value (£)	Percent
Total Demersal	5,554	19,341,663	61.0
Total Pelagic	1,804	1,364,559	4.3
Total Shellfish	5,141	10,986,618	34.7
Total	12489	31692910	100

Source: DEFRA (2008) Fish Landings by Port into England and Wales

Top five species landed in Cornwall

Species	Value (£million)	%
Monks or anglers	3.8	12.1
Crabs	3.7	11.8
Scallops	3.3	10.4
Sole	2.9	9.3
Megrim	2.7	8.6

Source: Marine and Fisheries Agency.

Fish prices 2006

Species	£ - tonne
Brill	5,718
Catfish	1,662
Cod	1,617
Dogfish	919
Haddock	1,163
Hake	2,714
Lemon Soles	3,053
Ling	1,176
Megrims	2,715
Monks or Anglers	2,625
Plaice	1,192
Pollack (Lythe)	1,465
Saithe	505
Sand Eels	na
Skates and Rays	1,172
Soles	7,743
Turbot	8,130
Whiting	804
Whiting, Blue	84
Witches	1,568
Other Demersal	1,658
Total Demersal	1,313
Herring	234
Horse Mackerel	264
Mackerel	780
Pilchards	368

Sprats	213
Other Pelagic	97
Total Pelagic	506
Cockles	471
Crabs	1,301
Lobsters	11,452
Mussels	91
Nephrops	2,785
Periwinkles	1,209
Queens	608
Scallops	1,770
Shrimps	1,751
Squids	3,015
Other Shellfish	879
Total Shellfish	1,778
Total All Species	1,185

Source: Marine and Fisheries Agency, (2007), UK Sea Fisheries Statistics 2006

Employment

The employment figures in this profile refer to the number of employee jobs in the fishing sector, together with data on the number of fishermen. Figure 1 uses the total figure, thus incorporating both part and full time work.

Fishing sector - narrow

	Part Time Workers number	Full Time Workers number	Total number
1999	50	460	500
2000	0	0	100
2001	0	100	100
2002	100	200	200
2003	100	300	400
2004	0	200	200
2005	300	100	400

Source: NOMIS, Annual Business Inquiry © Crown Copyright

Fishing broad definition

	Part Time Workers	Full Time Workers	Total
1999	200	800	1000
2000	200	400	600
2001	200	500	700
2002	200	500	700
2003	200	600	800
2004	200	600	700
2005	400	500	1000
2006	200	700	800

Source: NOMIS, Annual Business Inquiry © Crown Copyright

*Source: Marine and Fisheries Agency, (2008).

Fishermen in Cornwall*

Year	Total
1999	1810
2000	1910
2001	1670
2002	1570
2003	1830
2004	1690
2005	1630
2006	1510

Business Units

Fishing sector business units as a percentage of all business units

	Cornwall and Isles of Scilly	South West	Great Britain
1999	2.7	0.6	0.4
2000	2.6	0.6	0.4
2001	2.5	0.6	0.4
2002	2.4	0.6	0.4
2003	2.2	0.5	0.4
2004	2.1	0.5	0.3
2005	2.0	0.5	0.3
2006	1.9	0.5	0.3

Source: NOMIS, Annual Business Inquiry © Crown Copyright

Gross Value Added (GVA)

Fishing GVA data has been sourced from the Local GVA model for Cornwall level data and the Office for National Statistics (ONS) for UK statistics. The following tables provide the raw data from which the graphs on page one were produced.

GVA

	Fishing (Narrow) £million	Fishing, processing etc. (Broad) £million
1999	23.6	24.1
2000	16.2	16.7
2001	16.1	16.5
2002	17	17.4
2003	19.7	20.2
2004	18.4	19.1
2005	19.2	21.6
2006	23.3	26.5

Source: Owen Nankivell, (2008) *Local GVA model*.

GVA (£ million) narrow definition

	Cornwall	UK
1999	23.6	406
2000	16.2	398
2001	16.1	377
2002	17	374
2003	19.7	376
2004	18.4	389
2005	19.2	na
2006	23.3	na

Source: Owen Nankivell, (2008) *Local GVA model*; ONS, (2006), *UK Input-Output Analyses*.

GVA - narrow (% of total)

	Cornwall	UK
1999	0.6	0.05
2000	0.4	0.05
2001	0.3	0.04
2002	0.3	0.04
2003	0.3	0.04
2004	0.3	0.04
2005	0.3	na
2006	0.3	na

Source: Owen Nankivell, (2008) *Local GVA model*; ONS, (2006), *UK Input-Output Analyses*.

Earnings

Employee weekly pay – fishing sector [NB Earnings data by employment sector only available at a UK level].

Weekly pay - Gross (£) - For all employee jobs: United Kingdom, 2007

Description	Code	Median	As % of all
ALL EMPLOYEES		374.9	100.0
FISHING	B	x	na
Fishing, operation of fish hatcheries and fish farms; service activities incidental to fishing	5	x	na
Fishing, fish farming and related service activities	50	x	na
Fishing	501	x	na
Fish farming	502	x	na
Processing and preserving of fish and fish products	152	281.5	75.1
Processing and preserving of fish and fish products	1520	281.5	75.1
Wholesale of other food including fish, crustaceans and molluscs	5138	341.3	91.0
Retail sale of fish, crustaceans and molluscs	5223	x	na

Source: ASHE, ONS. Table 16.1a Weekly pay - Gross (£) - For all employee jobs: United Kingdom, 2007

The table below shows earnings levels in Cornwall compared to both the South West and Great Britain. All data for 2007.

Median Earnings by workplace 2007

Area	All		All Full-time		All Part-time	
	£	%	£	%	£	%
Cornwall	304.9	81.3	373.3	81.7	140.4	97.6
South West United Kingdom	349.2	93.1	427.8	93.7	144.7	100.6
	374.9	100	456.7	100	143.9	100
Area	Male		Male full-time		Male part-time	
	£	%	£	%	£	%
Cornwall	358.9	77.3	399	80.1	149.7	108.6
South West United Kingdom	441.4	95	476.5	95.6	147.9	107.3
	464.5	100	498.3	100	137.8	100
Area	Female		Female Full-time		Female Part-time	
	£	%	£	%	£	%
Cornwall	239	83.1	344.4	87.4	138.7	95.3
South West United Kingdom	267	92.9	363.3	92.2	144	98.9
	287.5	100	394	100	145.6	100

Source: Annual Survey of Hours and Earnings, (2007). Table 7.1a Weekly pay - Gross (£) - For all employee jobs: United Kingdom, 2007.

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Pollard, 2003 Fishing *Communities and Regional Development*, Prime Ministers Strategy Unit.

Notes:

Spatial distribution

The maps indicating the spatial distribution of employment and business units use both ward and Lower Super Output Areas. The wards are those used for District Council elections. Super output areas are a new geographical hierarchy designed to improve the reporting of small level statistics. They are now used in preference to administrative boundaries such as wards as they are of roughly equal population levels and are based on the area's characteristics, not historical events. The lower super output areas have a mean population size of 1,500.

Gross Value Added (GVA)

What is Gross Value Added?

GVA measures the contribution each sector, industry or producer makes to the economy, and when added, the total value of economic activity in a particular area. It is used as an indicator of the value of economic activity that takes place within a sector, or area.

Fishing in this profile refers to the following SIC(2003) activities:

0501 : Fishing
 0502 : Operation of fish hatcheries and fish farms
 1520 : Processing and preserving of fish and fish products
 5138 : Wholesale of other food including fish, crustaceans and molluscs
 5223 : Retail sale of fish, crustaceans and molluscs

Narrow includes 0501 and 0502, broad includes all codes.

Sector profiles in this format:

Advanced Engineering
 Agriculture & forestry
 Agri-food
 Creative industries
 Environmental Technology
 Fishing
 Food and Drink
 Information & communication technology
 Manufacturing
 Marine
 Medical & health
 Tourism
 Voluntary

For further information about this or the other profiles in the series please contact Peter Wills, Corporate Economy and Europe Unit, Cornwall County Council: 01872 322520, pwills@cornwall.gov.uk