

Brussels, 15 November 2022 (OR. en)

14780/22

PECHE 461

## **NOTE**

From:	General Secretariat of the Council
To:	Delegations
Subject:	Energy transition of the EU's fishing fleet and aquaculture
	<ul> <li>Information from the Commission</li> </ul>

Delegations will find attached an information note from the Commission on the above-mentioned subject in view of the meeting of the Council (Agriculture and Fisheries) on 21 November 2022, where it will be presented under "Any Other Business".

14780/22 NG/nm 1 LIFE.2 **EN** 

## ENERGY TRANSITION OF THE EU'S FISHERIES AND AQUACULTURE SECTOR

## **INFORMATION NOTE**

The economic viability of the EU fisheries and aquaculture sector is under intense pressure as a result of the high energy prices, in particular with marine diesel prices more than doubling after Russia's invasion of Ukraine.

Aiming to help the sector cope with the energy prices crisis, the Commission adopted a set of measures to immediately mitigate the impacts:

- on 23 March 2022, the Commission adopted a Temporary Crisis Framework for State aid measures to support the economy including the fisheries sector, in the context of Russia's invasion of Ukraine. Initially set at EUR 35,000, on 28 October 2022 the overall state aid ceiling was increased to EUR 300,000<sup>1</sup> per undertaking active in the fishery and aquaculture sector;
- on 25 March 2022 the Commission activated the crisis mechanism of Article 26(2) of the European Maritime, Fisheries and Aquaculture Fund (EMFAF) Regulation; and
- on 13 April 2022 the Commission tabled a legislative amendment to introduce similar measures in the European Maritime and Fisheries Fund (EMFF) which was adopted by the co-legislators on 18 July 2022;

Energy expenses are one of the major sources of input costs in the EU fisheries sector and some segments of the aquaculture sector and this became even more the case during energy prices crisis. The recent projections performed in the context of the 2022 Annual Economic Report on the EU Fishing Fleet<sup>2</sup> indicate that the sector is expected to **make overall gross and net losses in 2022** (63 million and 483 million respectively) largely as a result of the high fuel prices.

Short-term alleviating measures are essential but not sufficient. Volatility of fossil fuels prices will remain and thus, breaking the reliance on fossil fuel is a critical factor for sustaining the profitability and resilience of the sector.

<sup>&</sup>lt;sup>1</sup> C(2022) 7945 final, Communication from the Commission, Temporary Crisis Framework for State Aid measures to support the economy following the aggression against Ukraine by Russia.

<sup>&</sup>lt;sup>2</sup> EU Annual Economic Report on the Fishing Fleet 2022

Energy transition is a factor for both economic and environmental sustainability. There is now a pressing need for the Commission and the Member States to support and give perspective to the EU fisheries and aquaculture sector by setting out an energy transition towards the decarbonisation of the sector. The Commission recognises that the sector would welcome a more coordinated approach by the stakeholders on the path to carbon neutrality, as has been expressed in the context of the engagement with the sector in different stakeholder fora.

The Commission is therefore preparing an **initiative on the energy transition in the EU fisheries** and aquaculture, which aims to set out concrete actions to help the sector in the energy transition in the short to medium-term and towards 2050. The main objective of the initiative will be to enhance the resilience of the sector by reducing the dependency on fossil fuels through improvement of the energy efficiency and the adoption of clean and renewable power sources and complementary propulsion technologies.

Whilst recognising that deviating from fossil fuels will not alleviate directly all the pressing financial hardship of the sector, the initiative can give support in the short to medium term notably by **fostering the uptake of existing measures to increase fuel efficiency and other existing smart solutions like for instance, alternative fuels and others that can be implemented without big investments and relatively quickly.** In the medium to long-term, the role of clean and renewable energy sources will take an increasingly prominent role in the transition. The initiative is anticipated to focus on four main facilitators to address the anticipated barrier faced by the sector in the energy transition and give a new perspective for the future:

- Engaging in dialogue by starting a new broad stakeholder partnership on the energy transition;
- Closing knowledge, research, technological and innovation gaps, including mobilising and disseminating all the existing but scattered and not widely known existing and promising solutions,
- Improving the business environment and financing opportunities, identifying bottlenecks, improving awareness, and
- Developing the skills and workforce fit for the energy transition.

The Commission recognises that the current circumstances of the sector call for a coordinated action at EU level, and provide the right time to launch an initiative to support and provide perspective to the sector. This initiative is coherent with the European Green Deal objectives and further contributes to the implementation of the Farm to Fork Strategy and RepowerEU; it is also listed in the Commission Communication on the follow-up to the Conference on the Future of Europe in response to the proposals on climate change and the environment.

14780/22 NG/nm 3 LIFE.2 **EN**  On 7 November 2022, the Commission launched a call for evidence in the "Have your say" portal to gather feedback on the initiative.<sup>3</sup> The Commission would like to call on the Member States to support actively the initiative and to play their pivotal role in the necessary engagement of the sector to this transition contributing to the European Green Deal objectives and carbon neutral economy by 2050.

The Commission looks forward to a first round of exchange of views at the November Council.

<sup>3</sup> <a href="https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13619-EU-fisheries-and-aquaculture-energy-transition\_en">https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13619-EU-fisheries-and-aquaculture-energy-transition\_en</a>

14780/22 NG/nm

www.parlament.gv.at

LIFE.2 EN

4