

# **SCOTTISH FISH INDUSTRY PROJECT**

*Economic Analysis for a Successful  
Future*

## **INITIAL CONSULTATION**

<b>A Message from Rhona Brankin</b>	<b>2</b>
<b>The Consultation</b>	<b>3</b>
<b>Your Questions Answered</b>	<b>6</b>

## **A Message from Rhona Brankin**

The Scottish fish industry is going through turbulent and changing times.

- Stocks in some fisheries are in poor condition and recovery plans are being introduced;
- Processors are facing supply problems;
- The Common Fisheries Policy is being reviewed;
- A major decommissioning scheme is underway.

Earlier this year I was struck by the lack of coherent information and analysis about the fishing industry that might allow sound decisions to be made to secure its long-term future. It was for this reason that I asked Scottish Enterprise to tap into their considerable expertise in the field of economic strategy development for the benefit of the fish industry.

So how is this exercise going to work?

- The first phase of the work is to build up a comprehensive economic picture of the whole fish industry. The aim is to bring together information from many different sources, both old and new. Where there are gaps, our intention is to commission new research to complete the picture. This first consultation paper is the beginning of the process.
- Once that work is complete, the intention will be to analyse the findings and to develop strategic options for the industry. This would be another opportunity for you to contribute at a face to face level.

I am confident that this project will provide ideas for refocusing and restructuring the industry, which could benefit its long-term future. In short, this project is about developing a better understanding of the fish industry in order to help find a way through the turbulence - so that we can better manage the change and move on to a confident future.

For us to succeed we will need your views. There are eight key areas that we think require investigation to meet the aims of the project:

- 1) Communications;
- 2) Transport Infrastructure;
- 3) Knowledge Flow;
- 4) Quality;
- 5) Regulatory Framework;
- 6) Competition;
- 7) Overcapacity;
- 8) Working Together.

I hope you will take the time to respond to this important consultation – the more information we receive the better informed future decisions will be. I look forward to hearing from you.



**RHONA BRANKIN MSP**  
**Deputy Minister for Environment and Rural Development**

## **THE CONSULTATION**

We are seeking your views on any of the following issues which are relevant to you:

### **1. Communications**

**Issue:** Consider the flow of information between the related business areas of the fish industry. If links between the catching sector, the processing sector, the market and the consumer were improved, a better co-ordinated industry could exist to the benefit of all those involved.

**Question:** How might the communications between different sectors of the fish industry be improved to benefit the Scottish fish industry?

### **2. Transport Infrastructure**

**Issue:** Efficiency and competitiveness in the movement of fish products are crucial. Transport costs have increased in recent years so an efficient system is more important than ever.

**Question:** How might Scotland's transport infrastructure be improved to benefit the Scottish fish industry?

### **3. Knowledge Flow**

**Issue:** At any given time, there is a lot of activity taking place related to the fish industry. For example:

- The Sea Fish Industry Authority might be undertaking market research;
- The Marine Laboratory might be investigating specific aspects of a particular stock;
- The Scottish Executive could be entering negotiations in Brussels which could have effects on quota levels.

**Questions:** To what extent do you use this sort of information in making business decisions? What might be done to enhance the flow of information about research and policy developments?

### **4. Quality**

**Issue:** One way to improve returns from Scottish fish that is often mentioned is to focus on quality. For example preliminary research data suggests that there is a price premium, on average, of 17% per catch for fish that are weighed at sea and stored in boxes of 50kg or less.

**Questions:** What more can be done to maximise the quality of Scottish fish? How can those who could benefit from improving quality be encouraged and helped to do so?

## **5. Regulatory Framework**

**Issue:** It is often said that the fishing industry is over regulated. The fundamental tool for fisheries management over the last two decades – The Common Fisheries Policy – is now under review. The review talks of more localised input to the regulation of fisheries.

**Questions:** What should regulation seek to achieve? How could the fish industry be better regulated? Is the Executive's focus on sustainability and long-term re-growth of stocks the right way forward?

## **6. Competition**

**Issue:** Over half of pelagic fish caught by Scottish fishermen is landed and processed in Norway. Over half of fish processed in the UK is imported and considerable quantity of already processed fish is imported. A large proportion of fish landed into Scotland undergoes only primary processing in Scotland, with most of the value adding secondary processing taking place elsewhere.

**Questions:** What are the strengths and weaknesses of the Scottish fishing industry within the international fish markets? How can we build on the strengths and overcome our areas of weakness?

## **7. Overcapacity**

**Issue:** There is too much fishing effort for too few fish. Over the years this has become an increasingly serious problem as the ability of vessels to catch large volumes of fish has increased. The quantity of fish available to the processing sector has nevertheless declined steadily.

**Questions:** What is the true extent of over-capacity in the industry (in both catching and processing)? What should be done to address the issue of overcapacity.

## **8. Working Together**

**Questions:** Where do you want the industry to be in 5 years time? What role should be played by the Scottish Executive, the Enterprise Networks, Sea Fish Industry Authority and the industry itself in reaching those goals?

How can the industry best be managed? How should the industry be represented? In resolving issues there are always going to be conflicts between different parts of the industry. How can such conflicts be resolved?

## How to respond

We have presented eight key issues and we would like to hear your views on any or all of them as appropriate. Please also feel free to tell us about any other issues that you feel are important.

To respond please fill in the details below and send it with your response to:

David Wilson  
Scottish Enterprise  
120 Bothwell Street  
Glasgow  
G2 7JP

Or email [david.wilson@scotent.co.uk](mailto:david.wilson@scotent.co.uk)

Please note the deadline for responses is Friday 21<sup>st</sup> September 2001.

✂-----

Name:

Job Title:

Organisation:

Address:

Telephone Number:

Please tick here if you would be prepared to speak directly with one of the project team about you response.

Signature \_\_\_\_\_

Date:

## **YOUR QUESTIONS ANSWERED**

### **What is the Scottish Fish Industry Project?**

The Scottish Fish industry Project is, quite simply, a study aimed to help the industry to maximise the benefits from its resources. The project will look, for the first time, at the *whole* Scottish fish industry from an economic perspective by utilising the experience and the skills of the Enterprise Network. Our remit is to, 'Work in partnership with the private and public sectors to secure the long-term future of the Scottish economy by helping to make our industries more competitive'.

To begin we are building up a comprehensive picture of the industry. This will look at the industry as a whole, from the catching sector all the way through to the market place. This consultation is the beginning of that process. Our intention is that this wide-ranging analysis will bring out in detail the real issues facing the industry and provide all the relevant information needed to tackle them. Once this work is complete the plan is to develop possible solutions or 'strategic options' for the industry based on the information gathered.

### **How did this project come about?**

In light of the continuing pressures facing them, particularly in terms of reduced quotas within the catching sector following last year's quota negotiations in Brussels the Fisheries Minister, Rhona Brankin, recognised the need for a new, comprehensive examination of the Scottish industry.

### **Who is the project for?**

For all sectors of the Scottish fish industry. This project is aimed at finding the best, most profitable and secure way forward for them.

### **Who will SFIP involve?**

The SFIP is designed to look at the 'fishing industry as a whole' and, as such, it will need to take in a very broad range of stakeholders. Clearly different organisations and individuals within the industry will have different levels of interest in the project and so levels of involvement will vary accordingly. However the project will be built on a foundation of transparency that allows all interested parties the opportunity to input should they wish to do so.

### **Where can I get more information?**

Information about the project as it develops, any consultation documents and full contact details will all be available on the Internet at [www.scotland.gov.uk/fisheries/sfip.co.uk](http://www.scotland.gov.uk/fisheries/sfip.co.uk)

### **How long will it take?**

It is anticipated that the first part of the project will be completed early next year.

### **How will it be used?**

There are no restrictions on what could emerge from this project. The eventual aim of this work is to produce a series of potential options and recommendations for the industry, to help all those within it to become more profitable and economically competitive. These recommendations may be for the Scottish Executive, the industry, the Enterprise Networks, SFIA or Local Authorities to take forward.

### **How will it fit in with other initiatives that are underway?**

The Scottish Fishing Industry Project will not be undertaken in isolation. It will build on, and link to, other exercises that are underway or have been completed - such as the Fish Processors Working Group and the Strategic Framework for the Scottish Sea Fishing Industry.

### **What about rural communities?**

Consideration of support for rural communities is fundamental to the remit of the project.

### **Fish stocks are at an all time low – how can this project help?**

There is clearly an imbalance between fleet capacity and the availability of stocks in parts of the catching sector. It is inevitable the industry will have to go through a period of pain while it adjusts to this in some areas. The intention of the Scottish Fish Industry Project – as well as providing a comprehensive map of the industry – is to help the industry through these tough times and to help to ensure that the future is sustainable, and competitive.