

Sea fisheries



Overview of sea fisheries in the Highlands and Islands

The sea fishing industry provides substantial economic and social benefits in many coastal areas of the Highlands and Islands. The industry is regarded as one of the primary sectors producing raw materials which go through various value-adding processes sometimes within the Highlands and Islands but very commonly outwith the area. The data in this profile is therefore limited to the capture of fish and shellfish (processing is included in the HIE Network food and drink sector profile). Types of species caught are commonly categorised as demersal (eg cod and haddock), pelagic (eg herring and mackerel) and shellfish (eg nephrops and scallops). In recent years measures to conserve declining whitefish stocks, particularly cod, have included effort controls and vessel decommissioning schemes, which between 2000 and 2004 removed 165 demersal vessels from the Scottish fleet and significantly reduced fishing employment. Further quota reductions in the whitefish sector were implemented for 2007, despite indications that stocks of cod may be recovering in Scottish waters. In contrast the shellfish fleet, which makes up the bulk of the catching sector in the Highlands and Islands, has secured substantial increases in quota over the last two years and that sector is performing reasonably well in the face of rising energy costs.

Employment

- 2,796 jobs in sea fishing in the Highlands and Islands (including regularly employed, irregularly employed and crofters).¹ This excludes extensive indirect onshore employment, for example at harbours, markets, in processing and in distribution. Indirect jobs could amount to as many as 2,200 further jobs in Scotland, the majority of which are in the Highlands and Islands.²
- This represents 44% of the Scottish total (4,971 jobs).
- The 2,796 jobs equate to 2,422 FTEs (85% of which are regularly employed).
- Typical full-time hourly earnings (excluding overtime) in the sea fisheries sector in Scotland were £8.85 in April 2006, 18% lower than the typical full-time weekly wage of £10.67 across all sectors.³ Remuneration in this industry is however difficult to gauge accurately as owner-operators and self employed make up the majority of the workforce.
- In Scotland, the number employed in the sea fishing industry has fallen by 25% since 2001 (compared with an 18% drop in the Highlands and Islands), and by around 40% since 1995. Contributing factors include declining stocks, decommissioning of vessels, and quota restrictions.⁴

¹ Scottish Sea Fisheries Statistics 2005

² Based on type 1 employment multiplier for sea fishing (1.79) at the Scottish level, Scottish Executive input-output tables 2002.

³ Annual survey of hours and earnings (ASHE) 2006, ONS. Typically, wages across all sectors in the Highlands and Islands were 92.9% of the Scottish level

⁴ Scottish Sea Fisheries Statistics 2005 and 2001

Boats

- In 2005, the 1,564 active vessels based in the Highlands and Islands represented 66% of the Scottish fleet (2,376 vessels).⁵
- Of the active vessels in Scotland, 72% of those under 10 metres and 52% of those over 10 metres are registered in the Highlands and Islands.⁶

Output

- Fish and shellfish landed in the Highlands and Islands account for 47% of the value of landings in Scotland by UK vessels. This represents a sales value of £144.7million in 2005.⁷
- There has been an increase in the relative value of pelagic fishing to the Highlands and Islands, compared to demersal fishing, as a result of restrictions on demersal fishing. Demersal species and shellfish represent 31% and 41% respectively of the value of all landings in the Highlands and Islands. The remaining 29% is generated from pelagic species.⁸
- Between 2001 and 2005 the volume of landings (tonnes) in the Highlands and Islands rose by 20%, and the value by 39%.⁹
- Gross Value Added (GVA) per employee in 2004 in the Highlands and Islands fishing industry was £34,000 per employee (compared with GVA per employee across all industries in Scotland of £42,200).¹⁰

Product markets

- In the Highlands and Islands, demersal fish landings are most significant in Scrabster, Shetland Lochinver, Ullapool and Kinlochbervie.¹¹
- Pelagic landings continue to be of increasing importance in Shetland supplying the Shetland Catch factory in Lerwick. In 2005 they accounted for 91% of the volume and 75% of the value of Shetland landings by UK vessels.¹²
- Shellfish landings are most significant in island areas such as Orkney, the Western Isles and Skye, as well as in the west coast areas of Campbeltown, Oban and Mallaig, and Buckie in the north-east.¹³

Workforce/skills

- There are increasing requirements for business skills, health and safety training and multi-skilling due to the reduction in crew numbers. Group training associations throughout the Highlands and Islands are actively encouraging the uptake of training in the sector.
- There is a high proportion of self-employed engaged in the sector.¹⁴

⁵ Scottish Sea Fisheries Statistics 2005

⁶ Scottish Sea Fisheries Statistics 2005

⁷ Scottish Sea Fisheries Statistics 2005

⁸ Scottish Sea Fisheries Statistics 2005

⁹ Scottish Sea Fisheries Statistics 2005

¹⁰ ABI/2 Scottish Executive 2006 (excludes self-employed)

¹¹ Scottish Sea Fisheries Statistics 2005

¹² Scottish Sea Fisheries Statistics 2005

¹³ Scottish Sea Fisheries Statistics 2005

¹⁴ SEERAD, 2007

SWOT analysis

The following analysis illustrates the main issues facing the development of the sea fisheries sector in the Highlands and Islands.

Strengths

- High quality of the marine environment
- The Highlands and Islands offers access to Atlantic and North Sea fisheries
- There is a long tradition of sea fishing in the Highlands and Islands with associated social and cultural benefits
- A modern efficient pelagic fleet exists
- The supply chain supports a range of onshore employment
- High quality of products, strength of the Scottish brand

Weaknesses

- Poor organisation and information flow in many parts of the industry
- Over reliant on the nephrops fishery
- Lack of influence on international markets
- Aged demersal fleet
- The Highlands and Islands is able to exert relatively little influence on UK policy
- Lack of training, skills/labour shortages
- High fuel costs
- Heavy regulatory burden

Opportunities

- Seafood market growth
- Modernisation of all facilities could improve efficiency
- Improved marketing of the quality of products, along with regional branding with full traceability could increase demand for products from the area
- An increase of value-added production could potentially increase the profitability of the sector
- Effective delivery of the Scottish Executive (SIFAG/SEERAD) 2005 strategic framework and action plan to deliver sustainable inshore fisheries and development of sustainable fishing practices with reduced environmental impacts will increase the longevity of the sector
- Secure quotas for exploitation by local vessels would help local business

Threats

- Vulnerability of fish stocks
- Long-term effect on industry and associated infrastructure of depleted whitefish stocks
- Climate change – eg warmer waters – affecting location of fish stocks
- Shellfish sector's dependence on overseas markets
- International competition
- Uncertainty surrounding future regulation
- Ageing workforce with lack of new entrants

Priorities for action for food and primary industries

- Improve the rate of collaboration between businesses in the food and primary industries.
- Encourage industry and business communication as well as external communication to showcase the provenance and quality of products locally and globally.
- Ensure the necessary infrastructure is in place for the industry, including distribution networks within and outside the Highlands and Islands.
- Focus on “keeping value” within the Highlands and Islands.
- Facilitate better business leadership within the sector, particularly within small and medium businesses.
- Identify ways to support businesses that are committed to sustainable practices and local sourcing.
- Development of skills initiatives driven from the industry.