



## Useful data set for the understanding of the ownership structure of the fishing firms at French and EU level

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24/11/2017

### Context

In the European Union, the 'Blue Growth' initiative aims to elaborate the maritime dimension of the Europe 2020 strategy. The main objective of the Blue Growth project is to provide policy-makers at EU and sea-basin level with a comprehensive, robust and consistent analysis of possible future policy options to support such smart, sustainable and inclusive growth from the oceans, seas and coasts. Achieving the aforementioned objective involves monitoring the performance and sustainability of activities (both large scale and small-scale fisheries) relating to the use of aquatic resources. Under this context, data availability and quality issues often constrain the accuracy of assessment results. The EU has developed basic indicators to assess the economic impacts and performance of fishing fleets, aquaculture and processing sectors in Europe. These indicators are based on the current economic information collected under the Data Collection Framework (Commission Decision 949/2008, Annex VI and VII) which includes economic information only about fishing enterprise, employment, income, expenditure, and capital value for all EU Member States. In spite of this data collection representing an enormous effort currently underway in the EU, economic information about the sector is still far from being complete. As a result, we do not know the past and current capital behaviour of the fisheries sector nor the dynamics of the economic and financial transactions, which ultimately may affect the competitiveness of the sector over time. Unfortunately, such data deficiencies often result in mistaken policies. There is a widespread perception that the EU fishing fleet is owned by a multitude of local, single-vessel owners. However, anecdotal information about acquisitions of EU fishing firms by firms from other Member States shows that the perception mentioned above is a simplification of a complex reality, characterized by multi-vessel firms that in some occasions are foreign-owned.

### Issues and objectives:

What is the ownership structure of the means of production (vessels, fishing rights) in the fisheries sector in France and in Europe? The information currently available on the fishing fleet (mainly at vessel level) do not always identify the ultimate ownership of fishing enterprises, nor the detention of quotas or licenses by these companies. The objective will be to organize different knowledge bases available to identify the structure and evolution of ownership and produce indicators on the concentration of means of production.

Is it possible the mechanisms that favor or constrain the financing of acquisitions and the transfer of ownership in the fisheries sector in France and in Europe? Over the last few decades, capital financing has been mainly supported by cooperative structures, family capitalism and construction subsidies that are now banned. The objective will be to identify potential new models of access to capital for both large-scale and small-scale fleets as well as constraints related to the management of rights to produce.

How can we assess the impact of changes in the regulation of fishing activities and in particular of fishing rights on the dynamics of fishing enterprises? The models of capital dynamics used in the field take little account of the financing mechanisms of firms, group strategies and the characteristics of the small-scale enterprises exploited in a traditional way. Particular attention will be paid to taking these mechanisms into account.

Different sources of complementary data should be mobilized for this project. These data sets used in the French case are presented in the following working document.

## A) Community fleet register including ownership of vessels

The **Community Fishing Fleet Register**, commonly called "**CFR**", is a database where all the fishing vessels flying the flag of a Member State have to be registered in accordance with Community legislation. The CFR contains all fishing vessels with mainly a description of the technical characteristics of the vessels (Length in LOA, tonnage in GT, engine power in Kw), gears and segment, harbor/or district of registration. This information gives the possibility to distinguish small-scale from large-scale fleet according to EU definition. Changes in the status of the vessels (entry-exit, importation-exportation, etc.) have also to be registered. Member States should also register personal information on ownership of vessel, the owner being a natural or legal person<sup>35</sup>. According to fleet register regulation, personal information is not available publicly. For the purpose of this study, the team members of this study asked the DGMARE to get access to the CFR with personal information considering that the consortium has to follow rules regarding the confidentiality of personal data.

## B) Ownership of vessels and companies

The references on the registered ownership of vessels included in the CFR are necessary but not sufficient to identify the companies or firms which are behind each vessel. In each country, companies are registered for national statistics with their own standardized number<sup>36</sup>. We will build a reference table establishing the links between the registered numbers for the ownership of vessels included in the CFR and companies registered number (see Figure 1). We will identify where this type of reference table (**ownership of vessels and companies**) is already managed by a national administration or if a specific work should be carried out by a national expert involved in the consortium to structure this information by connecting different sources of information.

## C) Ownership of fishing companies

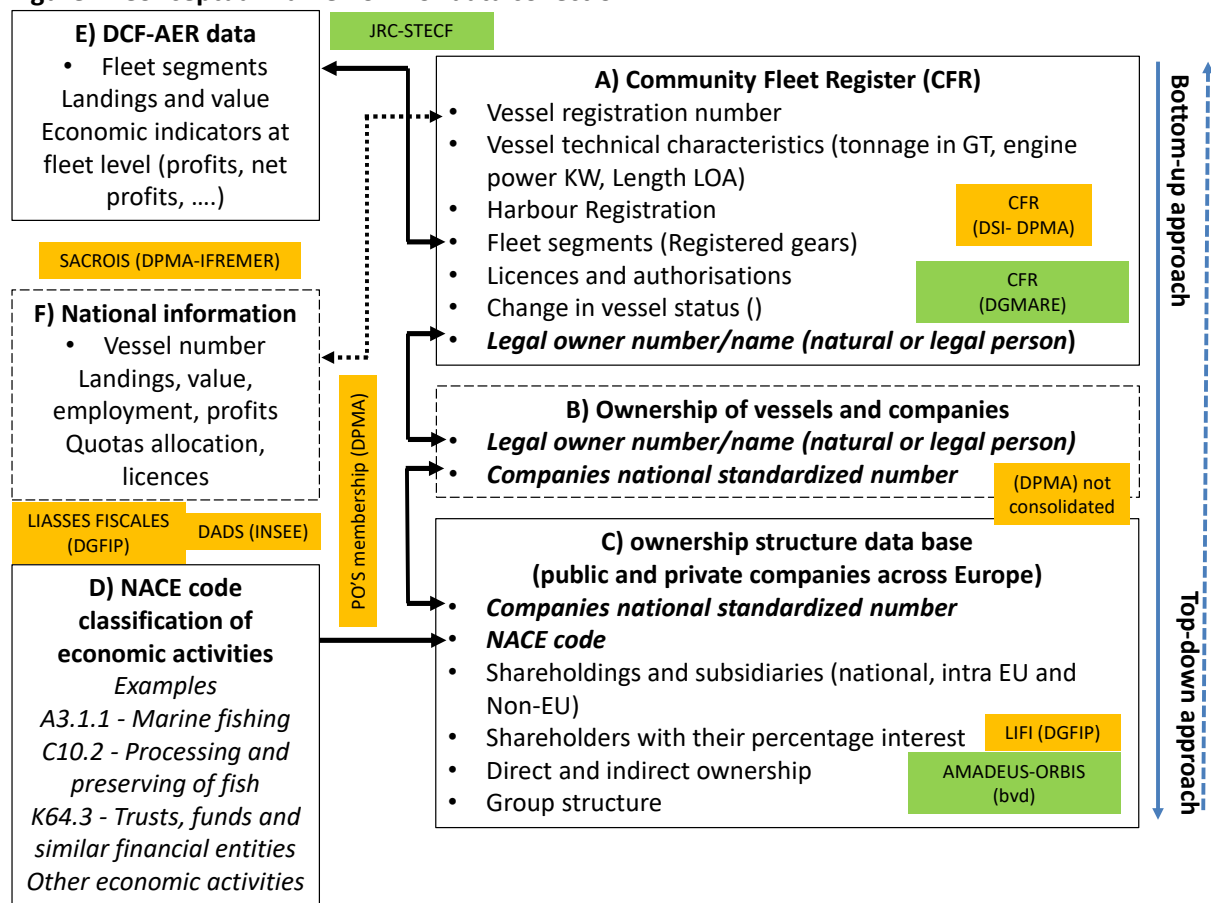
The third source of information that will be used is **the Amadeus or ORBIS database**<sup>37</sup>. This database is connected to the previous one through the companies registered number. Amadeus is a comprehensive database of comparable financial information for public and private companies across Europe with 14 million registered companies. This database organized by the company BVD, with a uniform format, contains different subsets of information, with in particular comprehensive ownership structures for companies. It includes shareholdings and subsidiaries, direct and indirect ownership and shareholders with their percentage interest<sup>38</sup>. Global and domestic ultimate owners can also be identified and ownership history is also registered. When available, International codes will help us to cross-border searching. Companies from third countries will be identified with this database. Moreover, national industry codes companies have been allocated NACE codification in the Amadeus database.

## D) Classification of economic activities (NACE code)

NACE codification is the Eurostat classification of economic activities in the European Community and this information give us the possibility to identify the activity sector of the enterprises which owns EU vessel<sup>39</sup>. Figure 1 provides some examples of NACE code for the fishing sector, the fishing processing industry and investment funds, but all other economic activities have to be considered.

In France, codification of companies is organized according to NAF classification and APE code is 0311Z for fisheries. Note that fishing companies may be coded with other number.

**Figure 1: Conceptual framework for data collection**



## E) Economic indicators on fleets (DCF-AER data)

We will also use the data collected under the EU regulation related to Data Collection Framework (DCF)<sup>40</sup> and processed each year by the Scientific, Technical and Economic Committee for Fisheries through its (AER) Annual Economic Report (STEFC 2015). These data sets are public and available at the following address<sup>41</sup>. These data sets include information by around 400 fleet segments (main gear used), vessels size categories, countries and fishing regions covering most of the EU fleet. Fleets information covers vessel characteristics, crew size, capital value, effort and landings per species and areas, revenues, incomes and costs, and also value added, wages, profits indicators.

## F) National data sets

National databases will also be used in order to complete the European databases. Partners involved in the project will use national data sets at vessel-company level including detailed information on the activity, landings and profitability of vessels. When available, information on quotas and licences allocations will be processed to identify the ultimate ownership of fishing rights and quotas. For reasons of confidentiality, national data sets including individual information will not be included in the common database.

As indicated in figure 1, national data for France are the following:

1. The SACROIS data base (DPMA-IFREMER) base includes effort per gear/area and landings per species (quantity and value) for registered vessels.
2. The CFR French data base is a subset of the DGMARE CFR data base which is filled with member states information. The CFR French data base includes the “armateur (operator) number” and “name” for natural and legal persons<sup>1</sup>. In many cases, the armateur is also the owner of the vessel.
3. From this data base including the registered population for a given year (stock), it is possible to identify changes (flows) in the ownership of vessels (transactions) between buyers and sellers<sup>2</sup>. Note that some acquisitions not involving change in the “armateur” are not registered in the data base.
4. Ownership of vessels and companies (Legal owner number/name (natural or legal person) Companies national standardized number). Until recently, no database has been consolidated on this issue. Work is in progress within DPMA to link legal owner number to companies number (SIREN and SIRET).
5. Bookeeping (fiscal) information registered by Tax administration (DGFIP). Fiscal information is registered in FICUS, FARE, BRN, BIC\_RN and BIC\_RS data sets (1994-latest year available) to produce different economic performance indicators of companies and analyze their evolution.
6. These data will be compared with information from DADS\_Establishment and Enterprises (1994- latest available year), in particular to study the labor productivity of establishments and enterprises and the effects of economies of scale related to concentration.
7. The processing of declarations 2083 part and pro (2011-latest available year) aims to study new investment dynamics of fishing companies related to tax exemption in overseas territories.
8. Finally, the data Financial Liaisons Between Companies (LIFI) registered and processed by INSEE (1994-latest available year) should allow us to better understand the links between companies, the group structure and their evolution.
9. Quotas allocations and licences are registered by DPMA and Comités des pêches.
10. Membership of vessels to PO’s (request to DPMA for updating available information)

Access to 5,6,7,8 data sets will be available in the context of a official demand to the “Comité du secret statistique CNIS” and processed within the CASD (box) requirements

The linking of these different sources of information will allow us to develop methodologies based on a typological approach and statistical and econometric methods that will both respect statistical confidentiality and answer research questions asked.

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<sup>1</sup> Referenced in SIH-Harmonie data base as DRI\_ANNUEL\_FPC

<sup>2</sup> Referenced in SIH-Harmonie data base as DRI\_DYNAMIQUE\_NAVIRE