



For the attention of the European Parliament

For the attention of the competent national authorities

Brussels, 5 April 2024

Re: Exclusion of fishing from the Energy Taxation Directive

Under the EU Green Deal, the European Commission has adopted a set of proposals to make the EU's climate, energy, transport and taxation policies fit for reducing greenhouse gas emissions (GHG) by at least 55% by 2030, compared to 1990 levels. As a component of its Green Deal initiative, the European Commission put forth a revision of the Energy Taxation Directive in 2021 with the aim of establishing minimum tax thresholds for decarbonized energies that are lower than those imposed on fossil fuels. After extensive discussions, the file has reached the concluding stage of the legislative process, and both co-legislators are striving to finalize it before the legislative term concludes.

The European fishing industry fully supports the need to reduce CO₂ emissions and actively engages in the search for sustainable, renewable and commercially viable energy alternatives. However, the sector calls on the EU to **exempt the fuel used for fishing operations** from the scope of the Directive for the following reasons:

- The fishing sector provides one of the healthiest animal proteins, with one of the smallest carbon footprints and contribute to the livelihood of many rural coastal communities across the Union.
- According to United Nations data¹, the total GHG emissions of the EU fishing fleet fell by 52% between 1990 and 2021, thus achieving the Green Deal goal well in advance of the projected timeline (2030).
- EU fisheries emissions represent 0.01% of global anthropogenic emissions.
- Even with tax breaks, the EU fishing industry has been lowering the consumption of fuel over the years. This decline can be attributed to several factors, including the gradual downsizing of the fleet, significant reductions in fishing effort (days at sea), improvement of fish stocks and the introduction of new technologies.
- Fuel costs may exceed 40% of the total operational costs for fishing companies.
- The energy crisis triggered by Russia's invasion of Ukraine, has deeply impacted the fishing sector² and completely changed the geopolitical situation and policy orientations in the EU.
- Implementing fuel taxes would further exacerbate the socio-economic challenges faced by fishing companies already grappling with high energy prices and inflation.

¹ <https://unctad.org/publication/energy-transition-fishing-fleets-opportunities-and-challenges-developing-countries>

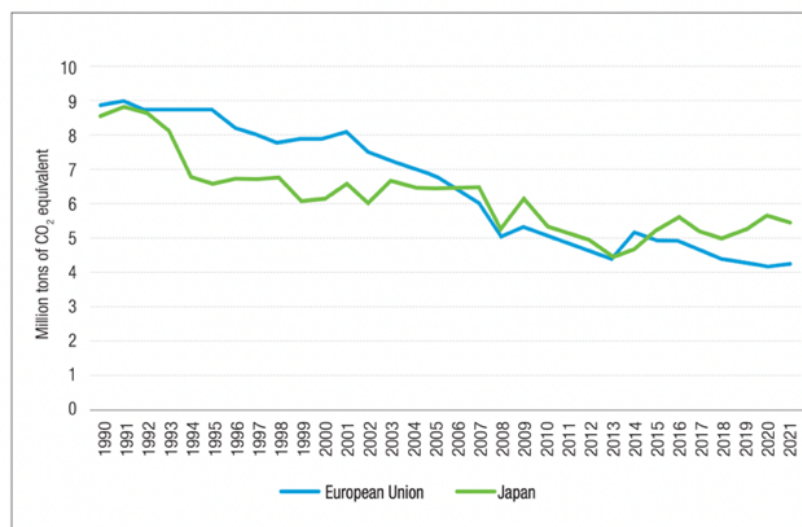
² https://oceans-and-fisheries.ec.europa.eu/news/2022-annual-economic-report-eu-fishing-fleet-sector-affected-high-fuel-prices-wake-war-ukraine-2022-10-11_en

- The majority of EU countries are granting or requesting subsidies to scrap their fleets due to Brexit, energy crisis, pandemics, inflation, increasing offshore windfarms and area closures at sea, issues with neighbouring countries and unworkable EU regulations. Taxation would only contribute to this absolute tragedy. As a consequence, foreign seafood will substitute our domestic supply, aggravating EU dependence on imported seafood.
- Fuel taxation would put the EU fishing industry at competitive disadvantage with other non-EU countries with lower fuel prices and taxes.
- Fuel taxation would lead to unfair treatment between territories since large ships can undertake long fishing trips on single fuel bunkering enabling them to refuel at ports with lower fuel prices.
- Seafood prices paid by final consumers will undoubtedly be affected by the fuel price increase originated by the introduction of fuel taxes.
- Finally, the biggest challenge facing many industries is the development and global availability of alternative and innovative green technologies and carbon-neutral fuels and energy sources. The situation is even worse in the fishing industry, since the transition to new propulsion technologies require larger space on board and current capacity limitations by the Common Fisheries Policy restrict such developments. It is therefore clear that there are no realistic energy alternatives for the fishing industry.

In summary, implementing fuel taxes would not serve as an incentive but rather as a punitive measure for a sector that has already achieved the Green Deal target and is grappling with the geopolitical and socio-economic challenges in Europe.

Therefore, until new fuel and propulsion technologies become commercially available, and the legislative framework permits the modernization, installation, and use of such technologies, **fishing should be exempted from the Directive.**

Figure 1. Carbon dioxide emissions (in million tons) of the fishing fleets of the European Union and Japan (1990–2021)



Source: UNCTAD based on data from UNFCCC (2023).



Guus Pastoor
President of AIPCE

Javier Garat
President of Europêche

Patrick Pagani
Copa-Cogeca
Deputy Secretary General

Esben Sverdrup-Jensen
President of EAPO

Juan Manuel Trujillo Castillo
ETF Fisheries

Yobana Bermúdez
President of CEP