



Council of the
European Union

**Brussels, 16 March 2022
(OR. en)**

7285/22

PECHE 86

NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Increases in production and business operation costs - Information from the Spanish Delegation, supported by Belgium, Bulgaria, Croatia, Cyprus, Greece, Italy, Ireland, Latvia, Lithuania, Portugal, Romania and Slovenia

Delegations will find attached an information note from the Spanish delegation supported by Belgium, Bulgaria, Croatia, Cyprus, Greece, Italy, Ireland, Latvia, Lithuania, Portugal, Romania and Slovenia on the above-mentioned subject in view of the meeting of the Council (Agriculture and Fisheries) on 21 March 2022, where it will be presented under "Any Other Business".

Increases in production and business operation costs

Belgium, Bulgaria, Croatia, Cyprus, Greece, Italy, Ireland, Latvia, Lithuania, Portugal, Romania, Slovenia and Spain are currently experiencing a significant escalation in the costs of raw materials and energy, which has increased and worsened in recent weeks.

This critical situation has led to an unaffordable escalation in production and business operation costs which, in the case of fuel price derivatives, has increased by 100% of its value, with signs of permanence or even greater increase in the coming months.

In this situation, the fishing fleet is announcing temporary stoppages as a result of the difficulty of maintaining its activity, given the decrease in its profitability and the impossibility of compensating the increase in costs with the income received. This situation is undermining market supply while demand is holding up which inevitably leads to significant market disruption

As on similar occasions in the past, the COM has responded to these crisis situations. This happened when, due to COVID 19, Regulation No. 508/2014 on the European Maritime and Fisheries Fund was modified and, in the price crisis of 2008, where Regulation (EC) No. 744/2008 was articulated.

For the current situation of the increase in production and business operation costs, mainly fuel, we request that the Commission examine all possible measures that could be utilised to address the industry situation, including the aquaculture and processing, helping undertakings to maintain the market supply and to come forward with specific proposals as soon as possible.
