



Project " FISH MED NET "

**Results of market analysis survey to develop New
integrated models actions to diversify fisheries**

Prepared by:

**Economic and Social Development Center of
Palestinian**



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1. Introduction

Over the last decades the fishing industry within the Mediterranean basin have suffered from overfishing efforts, causing fishing industry. As a consequence a noticeable decrease in the fisheries sustainable yield was recorded, along with a low economic performance (revenues and employment rates) on dependent sectors. Despite this, the fisheries sector still plays a major role in the local economy of Mediterranean countries, by diversifying stakeholder's main activity with other sectors such as fishing tourism, marine environmental services, fish heritage, educational programs, innovation and value added chain. Fishery Mediterranean Network (FISHMEDNET) project was developed as a response in order to strengthen the fisheries sector by providing the necessary tools for stakeholders in the sector to develop and innovate new products and services offered, build new joint business models to diversify fisheries, strengthen the capacities and encourage public authorities for sustainable development in the fishing sector. The FISH MED NET project is a joint effort among five Mediterranean partnered countries (Corsica, Italy, Tunisia, Lebanon and Palestine) in which all are in charge of specific roles in four different Work Packages (WP). This Market Analysis (referred to Activity A.312) is part of the third work package (WP3), which mainly aims to:

1. Evaluate existing fishery diversification activities and cluster them into groups for each country
2. Perform an analysis on the business potential opportunities per cluster per country.
3. Select those clusters that can be ameliorated with this project.
4. Create a business agreement to be signed by each partnered country.

This document is a continuation of the previous activity Census of Best Practices (A.311) in which data was gathered from primary sources (i.e. fishers and fish cooperatives) and will be followed by standardizing them into more detailed Business Models (A 3.1.3), support the network between the MSMEs active in those fishery diversification activities through Platforms (A 3.1.4) and Business Alliances (A 3.1.5). The project will then support those enterprises through Trainings (O3.2), Participation in international Fairs (O3.3) and Counseling desk (O3.4).

2. Methodology Used to collect data

In order to achieve the primary goal of analysing the current fishery-related activities for each country Economic and Social Development Center of Palestine (ESDC) developed and followed the methodology listed here below:

1. Review the existing literature on the fisheries sector and integration processes with other economic sectors such as tourism, education, etc.
2. Developed data collection tools in the form of interviews organized by ESDC staff.
3. Presented the data collection tools that have been developed for FISH MED NET partners
4. Gathered the revised and modified data collection tools to suit the conditions and capabilities of their respective countries.
5. Data collection tools addressed a set of questions that all partners agreed upon, more specifically investigated:
 - a. The main economic activities practiced within the fisheries sector,
 - b. Obstacles to doing business within the sector,
 - c. Most important opportunities and challenges facing the sector,
 - d. Role of civil organizations and institutions in the sustainability and development of the sector,
 - e. Necessary training programs for workers in the sector and,
 - f. New ideas in the area of the fisheries sector.
6. Necessary precautions due to the Coronavirus-19 pandemic were adopted for data collection. In fact, when face-to-face interviews were not possible, interviews with stakeholders in the fishery sector were conducted either using a program called Kobo Toolbox, or through the use of online interviews. Data was recorded, analyzed and reported in the results section.
7. The total number of interviews carried out among all partners was 188. Table 1 reports the findings:

Table (1): The number of interviews carried out according to the country and the targeted sector

The state	Fish operators	Education and Formation	Food Industry	Tour Operator	Total
Italy	20	9	13	7	49
Corsica	4	1	4	1	10

Lebanon	6	3	6	13	28
Tunisia	6	11	5	7	29
Palestine	30	2	30	10	72
Total	66	26	58	38	188

8. After completing the data collection, it was organized as a database on an Excel spreadsheet for the analysis stage.
9. The data analysis stage reviewed all interviews and compiled them country with percentages and frequencies. as a SWOT analysis.
10. The matrices for the business models included in the survey were then finalized and the observations were amended by the project staff and approved by the ESDC.
11. A final report was then produced and shared with all partners.

12. Data collection period:

The data collection period started from mid-October for the year 2020, and extended to the end of January 2021. It is important to underline that the data collection did suffer from delays in collecting data by partners due to the continuous governmental imposed closures, in order to limit the spread of the Corona pandemic in the target countries within the activities of the project. FISH MED NET.

3. Results

In this the main results of the survey are presented by partner country and sector:

- **Italy**

The project team in Italy carried out 49 interviews in the four target sectors within the activities of the project FISH MED NET. In order to come up with appropriate business models that can be applied economically, the following is a presentation of the results of the Italian partner by sector:

1. *Tourism Sector - Recreational Fishing (Pescatourism)*

Tourism is an important sector within the small-scale fisheries industry, especially in the field of operating tourist boats for fishing. The results of the interviews carried out during the survey showed that the tourism sector is one of the priority sectors in employment, with a rate of 67.4%. The results of the interviews indicated that there is a high demand for this type of tourism from tourists and students, and that the growth rate reached 30% compared to previous years. Despite the presence of the demand, there are some weaknesses that must be worked on, such as: 1) lack of knowledge of foreign languages, 2) the inability of workers in this sector to access financing institutions to support pioneering and new ideas in this sector, 3) lack of marketing and promotional expertise of those working in this sector.

II. Food industries sector - A fish restaurant across Internet With delivery service

The results of the interviews indicated that the direct sale of fish through the use of the internet (via social media) comes in second place, with a rate of 47.1%. The most important strengths that support this idea are: 1) the demand by customers for fish products, and 2) the availability of the appropriate platforms for marketing and promotion mechanisms through internet and social media for selling and promoting services provided by the restaurant operators. The weaknesses facing the proposed restaurant business model, is the lack of funding centers to support this type of idea, along with insufficient experience in e-marketing among workers. Other challenges regarding the restaurant business, is to get rid of illegal fishing , lack of sustainability requirements, complex bureaucratic procedures, lack of transparency, restrictions on the movement of operators due to Coronavirus pandemic, logistical chain supply from sea to seller/consumer, competition from new actors in the sector (even with declining fish catch) and the absence of labor regulations and legislation, especially in the Sardinia region.

III. Education sector

One of the most important components that would benefit the small-scale fisheries sector would be to invest more efforts in promoting educational programs that would benefit stakeholders in learning more about fishery related activities.

In fact, results gathered from the survey indicated that the fisheries educational services are ranked third in terms of importance (29.4% of interviewees responses). The comments

associated with this response indicated that it could benefit from more improvement, more specifically individual responses remarked that there was a need for educational services for students (across all ages) related to fishery subjects. Other comments directed the attention to the level of support, or lack thereof, from government, local and international institutions. Some of the weaknesses brought forth by the respondents, regarding the educational sector, relate to the fishermen's limited ability in staying at par with the educational topics linked to SSF. The awareness of sustainable fishing, among fishermen to ensure economic sustainability, along with limited knowledge of foreign languages on the part of fishermen was another cause of concern among interviewees mentioned in multiple occasions. Other respondents mentioned that financial institutions provide little, or no economic support for educational projects, which may in the long run affect the economic sustainability of the SSF related activities.

- **Corsica**

A total of 10 interviews were carried out by the project staff in Corsica . In the following paragraphs the results of the interviews carried out by the surveyors are presented by sector.

I. Tourism sector - boats Tourist For sea fishing trips

With a rate of 53.8% fishing trips make for an important economic diversification strategy for fishers and fisher cooperatives related to the tourism sector in Corsica. One of the main reasons that contribute to such a high demand within the tourism sector is the annual number of visiting tourists during the summer season averaging around 3 million visitors. The results gathered demonstrate that there is a 7% annual growth in the demand for fishing trips, complemented by an increase in the level of income reaching up to 60 euros per person. Respondents have expressed a strong interest coming from local actors (Organizations the hunt, and local authorities responsible for tourism, and Environment Authority) to further develop this activity, by participating in European funded projects as a viable means of sustainable recreational fishing for tourism.

Despite the importance of this business cluster, there are some issues that require attention in order to ensure the sustainability of the economy in this sector. One of the most predominant issues reflects the generational change, where those currently involved in these sectors the average age peaks at 50 years. Another issue that causes friction in

advancing the local economy is the link, or lack of, with consumers supporting fishing trips such as hotels and restaurants. Finally, exacerbating the previous two issues is the combination of 1) seasonality of fish, especially during the summer period, along with the 2) regulatory limits imposed by the law. The challenges faced by this activity are ultimately the combination of: 1) lack of interest from the national authority to develop such activity, 2) climate change affecting the seasonality of fish, and 3) arduous licensing regulations, along with 4) recently imposed restrictions due to COVID-19”

II. Food industries sector - A store that sells finished marine products

The demand for marine products was recorded in the interviews and revealed a picture that typically rises during the summer period with the influx of tourists in the area. This is second in terms of importance after the tourism sector, with a rate of 46.2%. It was also noted that there can be an integrative relationship between the tourism sector and the food industry sector, as there is a possibility to open new markets for marine fish products, especially for local schools where fish products can be provided as a dietary supplement. The shortcomings for this activity can be summarized as follows: 1) seasonality of the products (aggravated by the high demand during the summer period), 2) lack of training programs required to develop this type of business, especially in the field of preparing ready-made seafood, and 3) limited resources available to sell marine products. These results indicate that resources and efforts needed to boost the production of fish as a way to create a more efficient and economically-environmental sustainable management of the available fish resources.

▪ Lebanon

The project team in Lebanon carried out 28 interviews in order to come up with economically viable business models that can be implemented within FISH MED NET . The following are the results of the interview survey per sector:

I. Tourism sector - recreational fishing trips

Tourism sector is one of the most important economic sectors operating in Lebanon as it accounts for a GDP rate ranging from 20% to 25% . Among all tourist activities, leisure fishing trips are considered one of the important activities related to fisheries in terms of operation and priority, (67% of interviews relate to this), as it provides fishers with

additional income. This is further reinforced by an increase in demand for recreational fishing services by local and foreign fishing enthusiasts. Compared to last year, it provides the appropriate skills and capabilities among workers in order to operate recreational fishing trips to meet customers' desire. Providing the appropriate promotional means available to advertise the services of recreational fishing trips would increase the competitive advantages to this activity.

Despite its economic importance, the leisure fishing sector In Lebanon, faces some challenges that limit its development: 1) small boat size (average capacity of 6 people), 2) high maintenance operational costs for boats (fuel, fishing equipment, maintenance). 3) Appropriate financing (especially for infrastructure development), 4) Obtaining licenses and permits from the competent authorities, 5) Overfishing and pollution, and 6) Lack of adequate laws and regulations to support the leisure tourism sector. At the same time, the political and economic instability in Lebanon, further has also affected this activity.

II. Education sector - an educational center for training and research

The fisheries education sector comes in second place in terms of priority, with a percentage of 33% according to the results gathered from the survey and suggest that an educational center for training and research in the field of fisheries sector would gain attention from academic institutions at a local and international level. This would allow it to provide high-quality educational services, especially to cooperatives and unions working in the field of fisheries, as well as be a center of research for marine sciences. Respondents expressed the challenges faced by the fisheries educational activities, as: 1) low promotional and marketing efforts, 2) fishers lack interest in innovation (prefer traditional fishing practices).

▪ Tunisia

The project team in Tunisia carried out 29 interviews in the four business clusters identified by the project activities FISH MED NET. The following sections present the survey results per each business cluster.

I. Tourism sector - boats Recreational Fishing (Pescatourism)

Like other countries, the tourism sector related to fisheries in Tunisia is one of the important economic activities. In fact, 53.8% of the results indicate that there is a high interest for this sector with respect to other sectors related to fisheries. Such interest is primarily due to the local demand for tourism activities from the local community. For the most part, the quality of the services provided by those practicing fishing tourism services, along with the reasonable prices, has encouraged customers to venture on these tourist activities. Also, it

was noted that there is an active interest by government agencies and bodies to develop, support and encourage tourism fishing activity by providing the appropriate infrastructure.

In spite of the importance of this sector, survey results showed challenges, the most important of all: : 1) lack of interest in working in this sector, along with 2)The lack of marine protected areas for practicing tourist fishing activity, 3) lack of financial services, 4) illegal immigration, limiting tourist fishing activities, 5) poor legal framework to regulate this sector, 6) few marine reserves dedicated to fishing activity, and 7) invasive species impacting local marine fauna.

II. Food industries sector - Restaurant to sell Fresh and seafood

The food industry sector is ranked second in terms of interest and employment, with a rate of 34.6%. The demand from the local community for fresh seafood, along with the quality of services provided satisfy the desire and need of customers. Complimenting the market demand, the workers in this sector seem to be well versed as they have the appropriate capabilities and skills for cooking and selling fish products. Another benefit is the involvement of local institutions and bodies that supervise and monitor restaurants specialized for selling seafood giving them support and encouragement. The challenges faced by the restaurant businesses are: 1) high sea food prices (due to lack of production), 2) lack of promotional and marketing skills (rely on word of mouth), 3) elevated operating costs, 4) lack of training programs to develop the sector, and 5) lack of appropriate logistics.

III. Operating sector - ponds for raising marine fish

The proposed business model is one of the models indicated by the results of the interviews conducted with the four target sectors within a project FISH MED NET.

Despite the low interest (7.7%), results indicate that there is a demand for pond-farmed fish, mainly linked to a decrease in the wild fish stocks and resources as a cause from overfishing. This could expand into opportunities for fish export, therefore contributing to the sustainable economic development of this sector. The shortcomings for this sector may be

associated with the: 1) market entry (competition from existing land based aquaculture ponds), 2) low yield from raising marine fish from lack of specialized labor, 3) weak administrative assistance and support, and 4) marine pollution that directly affects the production of fish in marine ponds.

IV. Handicrafts sector - point of sale and exhibition of traditional products made by women

This sector is characterized by traditional products manufactured by women vested in this activity. Despite the low priority and employment rate for this sector (3.8%), Handicrafts sectors could be targeted to further develop and sustain this sector as the availability of skilled labor to manufacture traditional products and its market demand, seem enough to warrant further efforts by public authorities in facilitating this activity. Taken into consideration the possibility for building such activity its sustainability and development is faced by these challenges: 1) lack of marketing strategy (adequate labeling and packaging), 2) weak marketing campaign, 3) high costs of raw materials, 4) limited access to financial services, 5) of cooperatives specialized in developing this sector, 6) weak involvement from the Ministry of Tourism.

▪ Palestine

A total of 72 interviews in the fisheries sector were collected by the Palestinian FISH MED NET staff in order to shed light as to the viable business models that can be used as a base to build upon for the project. The results have been grouped under the common four business clusters previously identified by the project and reported in the following sections.

I. Food industries sector - a restaurant for selling and processing fish

Result analysis lists the food industry sector as the most important economic activity in Palestine (listed by 44.9% of the respondents) both as an outlet for the fisheries sector itself, as well as, employment opportunity. Unlike partnered countries, where the fishery related food activities can be joined with tourism, the ongoing blockade on the Gaza Strip by the

Israeli side since 2007 in Palestine has contributed to a significant decline of the tourism sector and has distanced itself (for safety concerns) from the tourism sectors among other ones. In general, the results indicated a demand by Palestinian families for restaurants to sell and supply fish probably linked to a population increase and the families' appetite as there has been a 10% annual fish consumption increase. Therefore, it reinforces the idea of establishing restaurants for selling and processing fish as it could have a positive aspect for the local economy. Complimenting this line of thought, it has been noted that many Palestinian families depend on buying fresh fish from restaurants, this is a missed out opportunity that would constitute success in establishing local businesses. Nonetheless, challenges have been recorded for this sector and can be summed up by 1) the lack of experience in the field of marketing, 2) limited funding available, 3) weak economy among the population of the Gaza Strip, and 4) limited fishing ground due to the restriction forced by the Israeli military forces.

II. Employment sector - Maintenance workshop Boats the hunt And sell Fishing Tools

Among the various business differentiation activities that would prove beneficial among the population within the Gaza strip is educational programs to train people in becoming boat mechanics (23.2% of respondents voice their concern as such). At the same time the Gaza strip could benefit in dedicating infrastructures as boat garages where people can be trained to become experienced technicians and perform maintenance, repairs and assemble boats in order to complement the fishery sector. In fact, fishers are continuously looking to maintain boats and purchase fishing tools, and their average annual expenditure operating cost (boat maintenance and fishing gear) amounts to an average of 950 euros. International and local institutions have adopted some mechanisms to support the fishery sector encouraging this business model along with the establishment of infrastructure for boat maintenance. This has also been complimented by the interest of new groups entering the field.

International and local institutions have adopted some mechanisms to support the fishery sector encouraging this business model along with the establishment of infrastructure for boat maintenance. This has also been complimented by the interest of new groups entering the field.

The challenges that incur upon this activity are 1) weak funding for this type of business model, 2) lack of technical expertise needed to maintain boats, 3) limited equipment in maintaining boats due to the Israeli blockade on the Gaza Strip, and 4) absence of partnerships between the private sector and government agencies to successfully implement this type of business model.

III. Industry sector - pools for fish farming

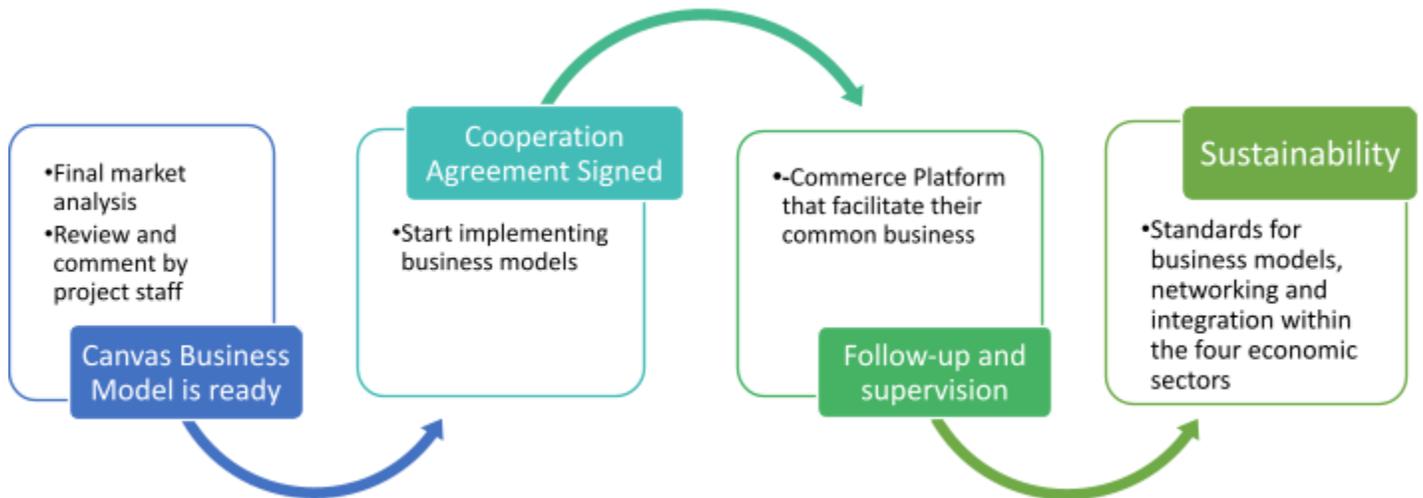
Among all possible activities brought forth by the respondents, results gathered indicate the interest in establishing fish ponds (ranked third 18.8%.) Fish farming would be able to satisfy the quantities the market demand requires and be able to provide families with fresh fish. Even more so, with the restrictions placed upon the fishermen as a result of the Israeli control in the field of marine fishing in the Gaza Strip. Similarly the challenges faced fall under 1) the lack of funding, and 2) high operational costs of fish farming ponds (in particular the feed).

IV. tourism sector - Tourist booth selling fast food of fish

Tourism also has potential and accounted for 13.0% of the results of the interviews. The results of the market analysis indicated that there has been a significant decline in the tourism sector as a result of the blockade on the Gaza Strip. This has resulted in a significant decline in the number of tourists, especially foreigners who constitute the primary target group for the tourism sector in the Gaza Strip. Therefore, fishery-related tourism has a big impact on the local community. The tourism sector could benefit from an 1) increase in the training sessions for workers, 2) availability of fresh fish production, and 3) availability of spaces allocated by the Gaza municipality to establish such kinds of projects close to the beach.

4. Next steps for work

This section will present the next steps that will be worked on within the third working package group within the activities of the project FISH MED NET:



5. Recommendations

This activity was intended to highlight the stakeholder's perception in each country. It can be used as a guide in an attempt to facilitate possible business models for the FISH MED NET project. Here below are some general recommendations that can ease the implementation of the upcoming activities: This activity was intended to highlight the stakeholder's perception in each country. It can be used as a guide to facilitate possible business models for the FISH MED NET project. Here below are some general recommendations that can ease the implementation of the upcoming activities:

- Networking with government institutions to promote infrastructure investment in the four economic sectors related to fisheries.
- Develop policies that contribute that increase the development of the four targeted economic sectors, in particular the educational aspects.

- Enhance workers capabilities through training programs (foreign languages, accessing financing institutions, marketing, risk management...) to contribute to the sustainability of their business.
- Enhance regulations and procedures to facilitate the sustainability of fishery related activities.
- Increase visibility through promotional programs with the participation of the governmental agencies for the products and services provided within the four economic sectors related to fisheries.
- Increase environmental monitoring to overcome overfishing and marine pollution, as means to provide a sustainable ecosystem.

6. Annexes

- 1- Annex (1) Data Collection Tools.
- 2- Annex (2) Matrix analysis for 4 clusters.