

eftec

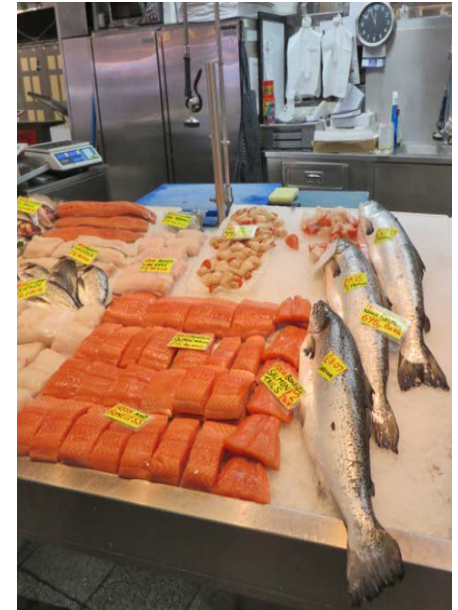
Economics for the
Environment
Consultancy

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Comparing Industry sector values



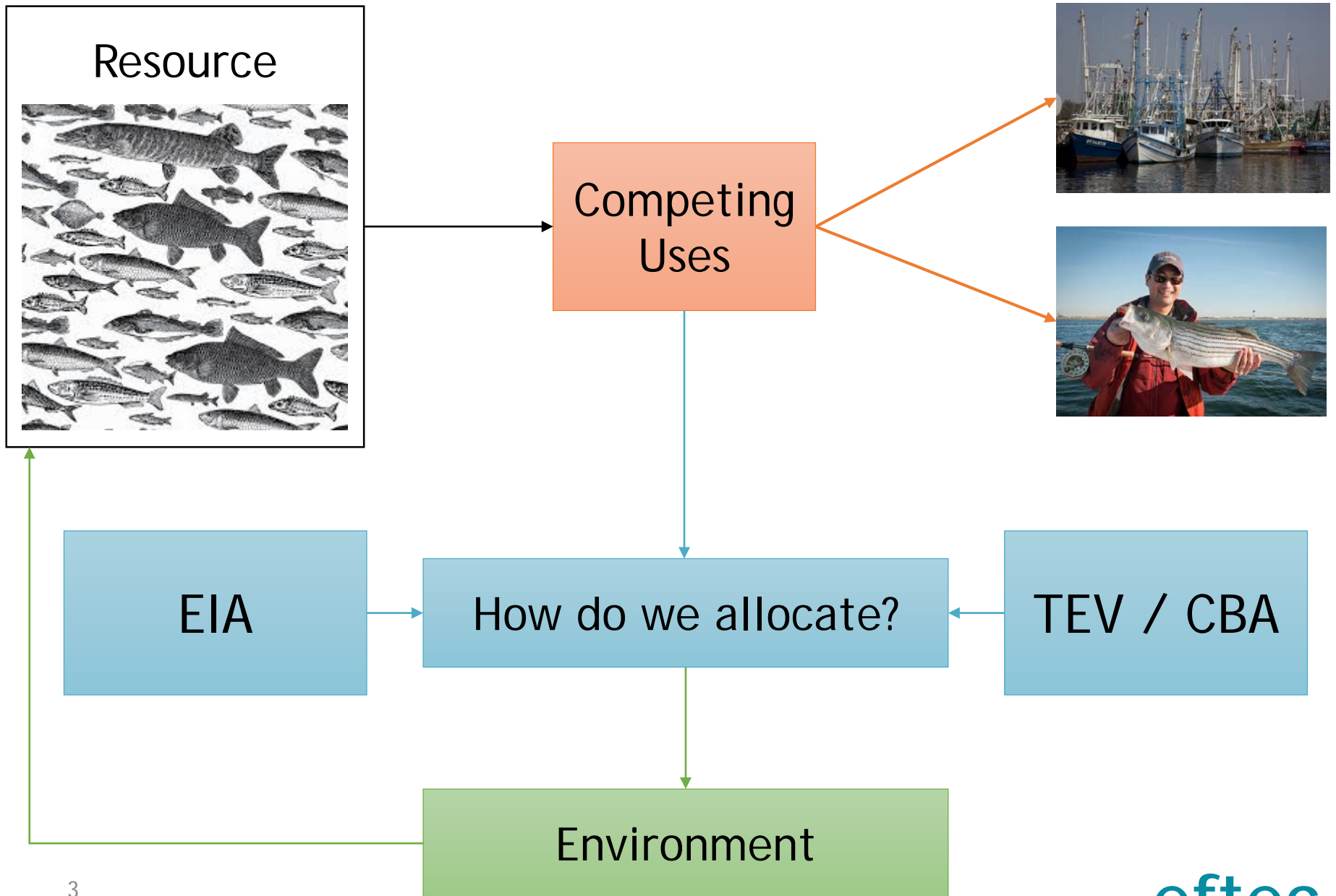
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SEAFISH
the authority on seafood

UKFEN

1. Introduction
 - Scope and Objectives
2. Methods for comparing industry sectors
 - Different analytical frameworks
3. Case study - Commercial Fishing and Recreational Angling
4. Study Conclusions

1. INTRODUCTION



2. Economic Analysis

- Any analysis must set terms and boundaries

- ⇒ What matters?

- ⇒ To whom?

- ⇒ Over what period?

- ⇒ How is this measured?

Which impacts on the human population matter most?

- These are value judgements

- ⇒ no 'right' answers

- ⇒ Choose the best approach

- This will shape the analysis

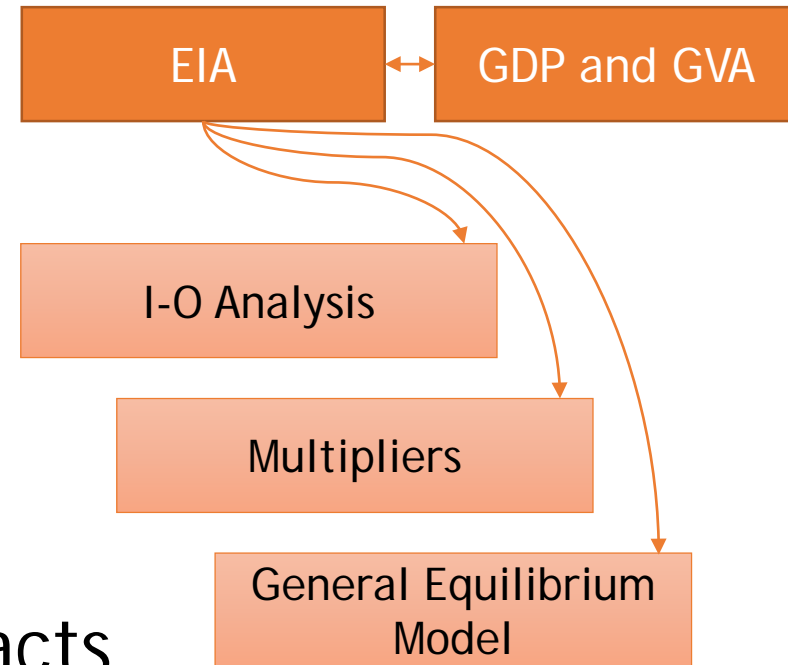
- ⇒ set baseline and spatial boundaries

- ⇒ set appropriate indicators, measurements, data requirements

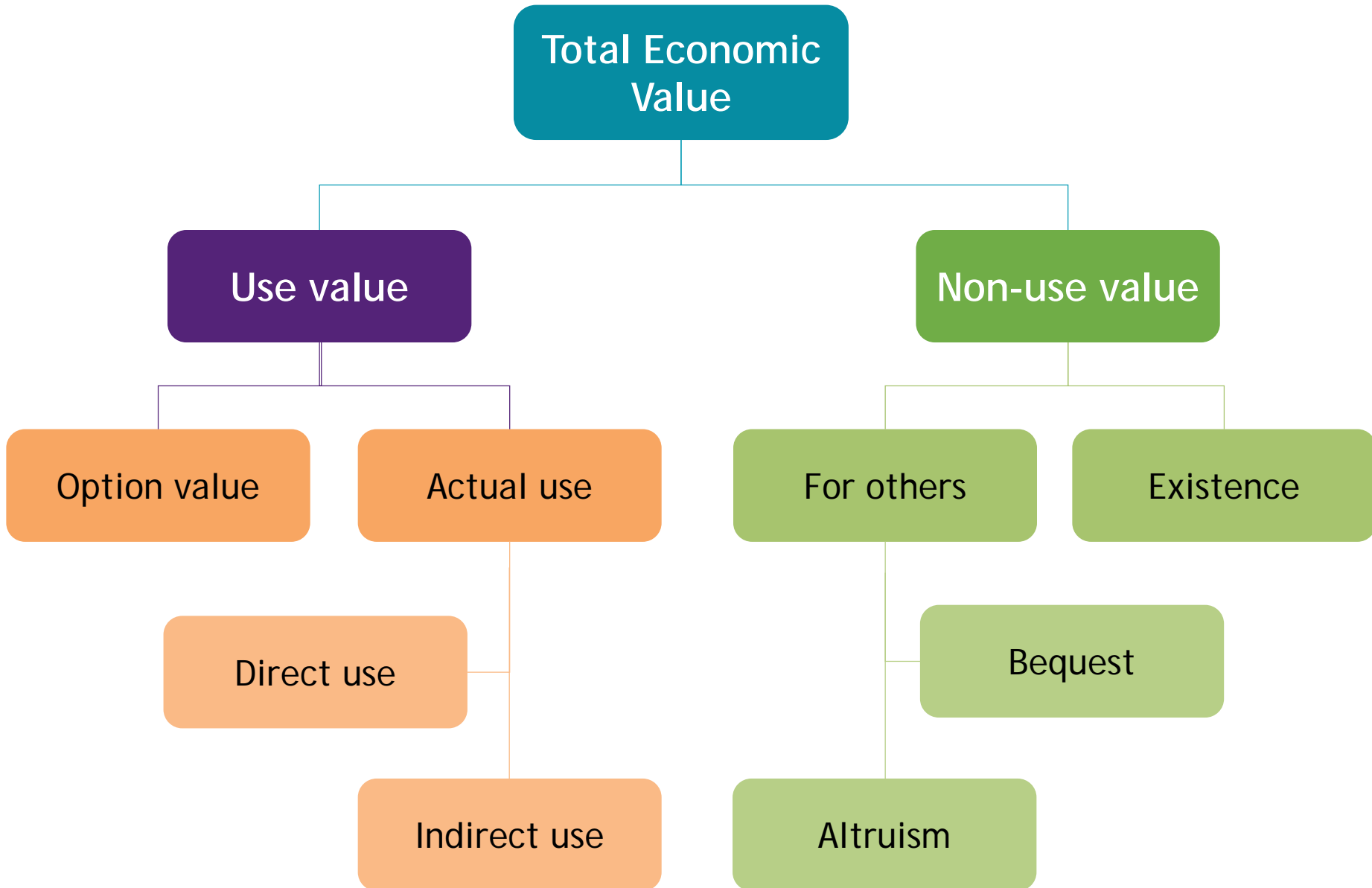
- Additionality / Displacement

2. Economic Impact Assessment - EIA

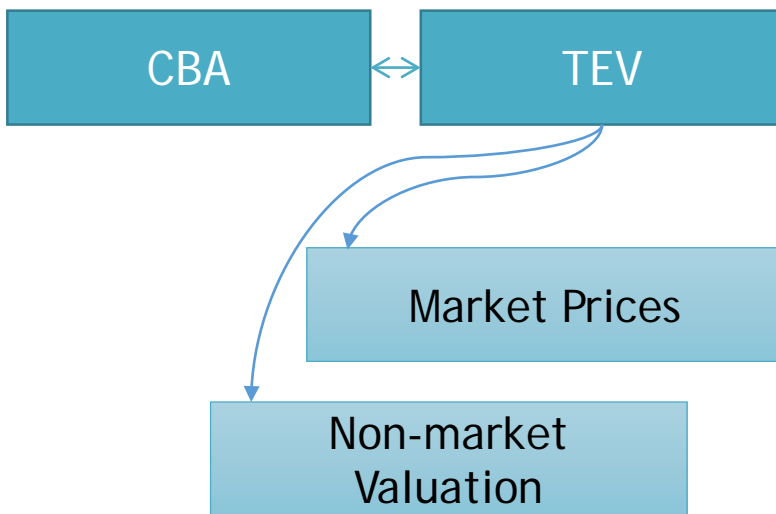
- Change in economic activity
- Measures changes in types of impacts:
 - ⇒ GDP/GVA
 - ⇒ Revenue, profits, jobs
 - ⇒ Expenditure used as a proxy
- Direct, indirect and induced impacts
- Methods for determining impacts
 - ⇒ Input-Output Analysis
 - Multipliers - Type I and Type II
 - ⇒ General Equilibrium Models



2. Total Economic Value - TEV



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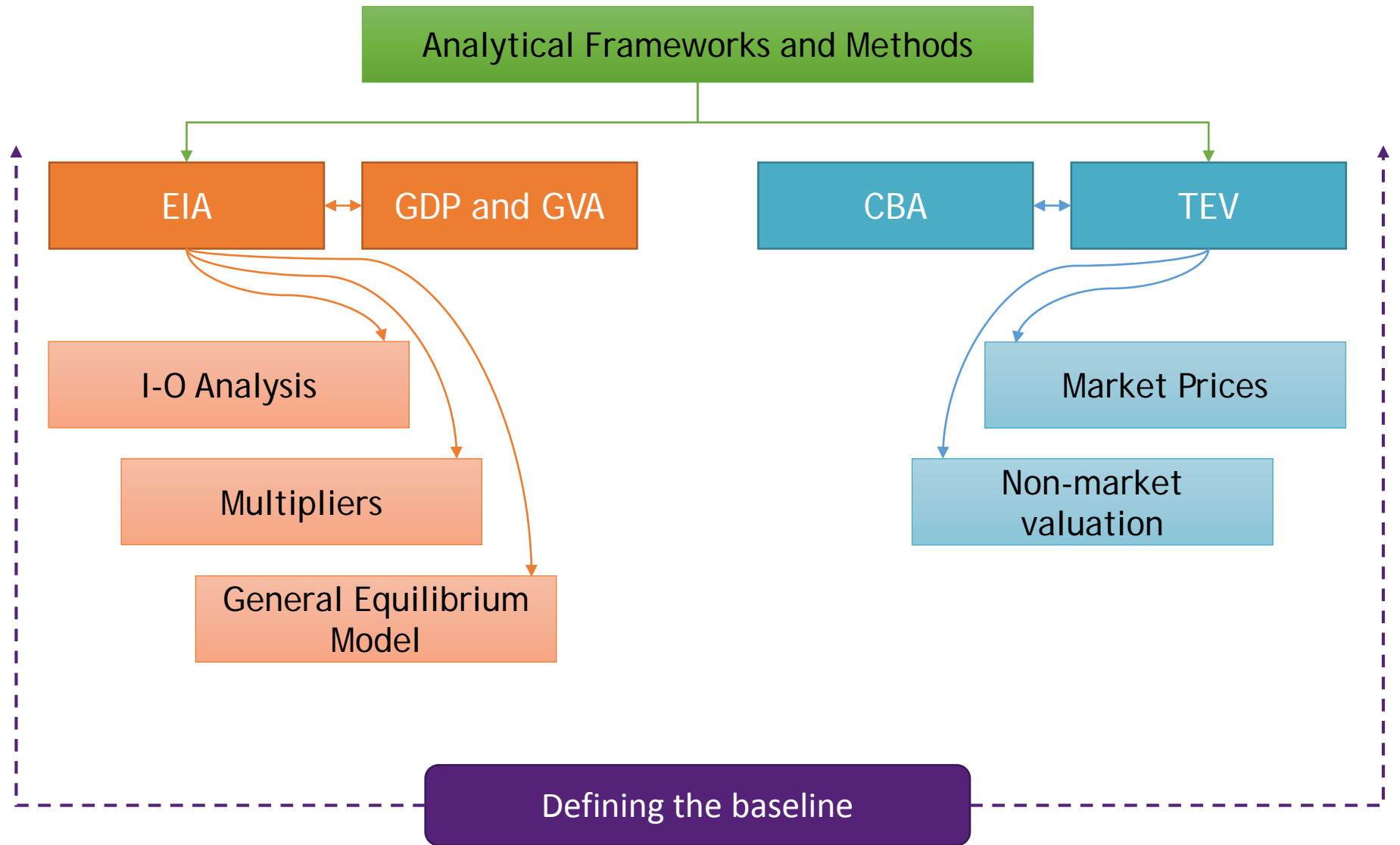


- WTP / WTA
- Measuring TEV
 - ⇒ Market prices
 - ⇒ Non-market valuation
- Decision making
 - ⇒ Changes in costs and benefits
- How?
 - ⇒ Individuals
 - ⇒ Society
 - ⇒ Ecosystems



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2. Analytical Frameworks



3. Case Study - two sectors

	Commercial Sea Fishing	Recreational Angling
<u>EIA</u> <ul style="list-style-type: none">- Landings- Value (£)- GVA- Employment- Expenditure- Resource Rents	£540mn/yr 6,400 vessels Jobs: 12,000 GVA: £0.8 - 1.2bn	£831mn expenditure Jobs: 23,600 GVA: £980mn
<u>TEV</u> <ul style="list-style-type: none">- Consumer Surplus- Resource Rents- Non-use	= Resource rent + CS + Existence value + Bequest value - change in TEV of (other commercial fisheries - marine recreation - informal coastal visitors - general public)	= Anglers' CS + Existence value + Bequest value + Anglers' option value - stock effects £0.6 - £1.3bn

4. Conclusions

- Evidence for resource allocation
 - ⇒ Different frameworks
- Evidence needs
 - ⇒ What is being valued?
- Choosing the framework
 - ⇒ Estimate sector size, jobs, activity - EIA
 - ⇒ Estimate welfare, non-use aspects - TEV / CBA
- Combined management

Thank you!

Tinch, R., Mathieu, L., and Anderson, S. (2015) Comparing Industry Sector Values, with a Case Study of Commercial Sea Fishing and Recreational Sea Angling. [online] Available at:

http://www.seafish.org/media/1455781/eftec_comparing_industry_sector_values_final_aug_2015.pdf

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