Pacific halibut multiregional economic impact assessment

Agenda Item 12
IPHC-2020-IM096-14
Outline

- Economic impacts
  - Commercial fishing
  - Recreational fishing
- Model setup
- IPHC data collection
- Preliminary results
- Conclusions
Economic impact of Pacific halibut commercial fishing sector

Pacific halibut resource

Economic activity along the value chain

Employment and income contribution to the GDP

Households' prosperity

Fishing

Processing

Wholesale

Retail

Services

Economic activity generated by suppliers along the value chain

Economic activity generated by households spending income generated along the value chain
Economic impact of Pacific halibut sport fishing sector

- Pacific halibut resource
  - Charter sector
  - Anglers (guided fishing)
  - Anglers (unguided fishing)
  - Economic activity generated by supplying anglers (guided and unguided)
  - Economic activity of businesses directly dependent on the access to the resource
  - Economic activity generated by charter sector suppliers
  - Economic activity generated by households spending income dependent on recreational fishing (guided and unguided)
Multiregional effects

Economic impact

- In the area of resource extraction

Spillover effects

- Monetary flows related to inputs to production
- Monetary flows related to final consumption
- Wages earned by residents vs. non-residents
- Profit from quota owned by residents vs. non-residents
Economic impact (EI) metrics

- Direct EIs
- Indirect EIs
- Induced EIs
Regions

- Alaska (AK)
- West Coast (WC –WA, OR and CA)
- British Columbia (BC)
- Rest of the US (RUS)
- Rest of Canada (ROC)
- Rest of the world (ROW)
Primary data collection

Secondary data use vs. collecting primary data

The surveys:

- Commercial Vessel Expenditures Survey (revised)
- Processing Plant Expenditures Survey (revised, simplified)
  (for land-based processing plants)
- Charter Sector Expenditures Survey (new!)
Covid-19 impact on primary data collection

Benefits of filling for:

2019 – pre-COVID-19, baseline year, suitable to draw conclusions under normal circumstances

2020 – abnormal year, assessment of incurred losses and sectors’ resilience

2021 – post-crisis, path to recovery
### Preliminary results for commercial sector

<table>
<thead>
<tr>
<th></th>
<th>USD 129 mil. / CAD 167 mil.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of landings</td>
<td>USD 610 mil. / CAD 790 mil</td>
</tr>
<tr>
<td>Economic impact - output</td>
<td>USD 243 mil. / CAD 316 mil.</td>
</tr>
<tr>
<td>Economic impact – contribution to the GDP</td>
<td>USD 124 mil. / CAD 160 mil.</td>
</tr>
<tr>
<td>Economic impact – wages</td>
<td></td>
</tr>
<tr>
<td>Economic impact - employment</td>
<td>4,169 jobs</td>
</tr>
<tr>
<td>Household income</td>
<td>USD 130 mil / CAD 168 mil.</td>
</tr>
</tbody>
</table>
Map of the economic impact of Pacific halibut resources

Economic metrics:
- Output
- GDP
- Wages
- Employment
- Household income

Effects:
- Direct
- Indirect
- Induced
- Effects including forward-linked processing

Preliminary results, more details in IPHC-2020-IM096-14

Select year [2018, 2016, 2014]: 2018
Select currency [USD, CAD]: USD

Pacific halibut output - commercial fishing, Alaska [mil. USD]: 59.3 (20% increase)
Pacific halibut output - commercial fishing, West Coast [mil. USD]: 2.8 (33% decrease)
Pacific halibut output - commercial fishing, British Columbia [mil. USD]: 50.4 (20% increase)

web-based tool
Conclusions

- Comprehensive understanding of the impact of the Pacific halibut resource
- Accounts for transboundary flows of benefits

The results suggest that the revenue generated by Pacific halibut at the harvest stage accounts for only a fraction of economic activity that would be forgone if the resource was not available to fishers

Way forward:
- Inclusion of the recreational sector
- Incorporation of IPHC-collected data (waiting for sufficient number of responses to the surveys)
- Increasing spatial resolution of the assessment (data-dependent)
- Impact of COVID-19 on the assessed values
Other activities

• Benefits of in-house economic expertise available
  o economist perspective on regulatory proposals
  o input to requested analysis (e.g. size limits analysis - IPHC-2020-IM096-09)
  o input to MSE work
Questions or comments?

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