FISHERY PRODUCTS

The EU market for shrimps and prawns

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Report summary
This CBI market survey discusses the EU market for shrimps and prawns, the highlights of which are the following:

- The EU consumption of shrimps and prawns is growing and the fluctuating EU production is far short of demand. This provides a clear opportunity for exporters to the EU, who already account for 70% of the imports.
- Convenience, health and indulgence continue to be major trends in Europe. They provide opportunities for adding value. With increasing globalisation, adding such value is increasingly done in Developing Countries (DCs).
- Awareness of sustainability issues is growing quickly in most EU countries and is likely to result in better access conditions for shrimp produced in a sustainable manner. While there are various definitions of sustainability, organic and Marine Stewardship Council (MSC) certification are already well recognised in the market.
- Imports of shrimps and prawns have been growing rapidly in the period under review. The volume of imports is growing even more rapidly than the value.
- All countries are importers of shrimps and prawns, but imports from DCs are especially large in Spain, France, the United Kingdom, Belgium, Italy, Germany and the Netherlands. These 7 countries import virtually all shrimps and prawns from DCs and redistribute them to other EU countries.
- Consumption and imports of shrimps and prawns have benefited from low prices. If and when prices start to increase again, this will most likely reduce the market growth.

This survey aims to provide exporters of shrimps and prawns from DCs with product-specific market information about gaining access to the EU market. It is complementary to CBI's market survey, 'The fishery products market in the EU', which describes the fishery products market in general, and to the individual country surveys, which focus on the market for fishery products in a specific country. All CBI market surveys can be downloaded from http://www.cbi.eu/marketinfo.

Detailed information on shrimps and prawns is provided in Appendix A. This survey discusses the EU in general, focusing on the main markets: Spain, France, Italy, the UK, Belgium and the Netherlands.

1 Market description: consumption and production

Consumption

The consumption of shrimps and prawns continues to increase in the EU. Apparent consumption includes both consumer and industrial demand.

Between 2001 and 2006, apparent consumption[1] increased by 25%, from 446 to 559 thousand tonnes (Table 1.1). This translates into an average *increase* of 4.6% per year, much higher than the average *decrease* of 1% of the total fishery product consumption in the same period.[2]

[1] Calculation based on data from Eurostat (2007) and the Food and Agriculture Organisation (2008). Apparent consumption is calculated as production plus imports minus exports, and includes both industrial and consumer demand.
[2] Figures in value terms will show a different picture. The value of fishery product consumption most probably increased in this period, but exact figures are not available.

Shrimps and prawns, therefore, are one of the better performing product groups of all fishery products. By volume, the category constitutes 5.5% of the total fishery product consumption in the EU.

Table 1.1 Apparent consumption of shrimps and prawns in the EU and 6 selected countries, in thousand tonnes, 2001-2006

	2001	2002	2003	2004	2005	2006
TOTAL	**446**	**444**	**498**	**493**	**534**	**559**
Spain	143	124	138	135	148	169
France	63	71	80	87	84	88
Italy	60	54	62	61	78	88
United Kingdom	56	57	63	64	69	67
Belgium	12	14	17	16	17	17
Netherlands	3	19	24	1	n.a.*	n.a.*

Source: FISHSTAT - Food and Agriculture Organization, 2008, and Eurostat, 2007 and 2008
*: not available.

Spain, France, Italy, the UK and Belgium are major markets for shrimps and prawns. Each of these countries saw their consumption increase. The Netherlands is a rather small domestic market for shrimps and prawns but is a major player in the trade of shrimps and prawns in the EU. Due to the large amounts of shrimps and prawns that are traded by the Netherlands, the size of the domestic market cannot be measured accurately by calculating the apparent consumption.

According to forecasts of FAO Globefish, the market for shrimps and prawns will not grow much in the near future due to the deteriorating economic situation in 2008 and beyond. Demand is expected to slow down significantly.

Market segmentation

Important criteria for segmentation are the type of application and the product type.

The major applications are the use as ingredient by the food industry and the use as end-product (the product as such without major alterations). The food industry uses shrimps in ready meals (pizzas, curries), fish soups, shrimp cocktails and other hors d'oeuvres, and pastes. Shrimps offered as end-product are generally pre-packed, and may be offered chilled, frozen, canned or in brine. Both the retail and the catering markets are outlets for these shrimps.

The major distinction in product type is between the fresh and frozen product, both offered in retail and catering markets. The fresh shrimps are necessarily sourced from areas close to the consumption market, while frozen shrimps are sourced from all over the world.

A further distinction is between various sizes and species of shrimp. Various European regions are familiar with different species, for instance the small and greyish coldwater shrimp (Crangon crangon) in northern Europe and the larger 'gamba' in southern European countries such as Spain, Italy and Greece. In the Scandinavian countries the pinkish northern red shrimp or northern prawn (Pandalus borealis) is popular. However, the increasing internationalisation and popularity of the category has brought a much wider assortment to most European countries.

A further distinction in product types relates primarily to convenience. Shrimps are offered whole or peeled, with heads on or tails on, depending on the intended use. For instance, a peeled tiger prawn with a tail still on is easier to eat after frying. In the northern European countries, most shrimps and prawns are sold cleaned and peeled, while France and many southern European countries prefer whole shrimps and prawns with heads on.

Sales of shrimps and prawns show a distinct increase in the Netherland during the holidays (Easter and notably Christmas). It is seen as a luxury food for festive dinners. In southern European countries such as Spain and Italy, shrimps and prawns are considered part of the daily menu.

Trends in consumption

As mentioned before, shrimps and prawns enjoy an increasing popularity in Europe, which is related to the internationalisation of lifestyles and cooking. Shrimps and prawns are fashionable and relate positively to the major health, convenience and pleasure trends. For instance, the larger species have become very popular as finger food, following the Spanish use of 'gambas' which relates to the pleasure trend. Shrimps are also easy to prepare and provide a healthy alternative to meat. The improved storage and distribution systems allow the product to be widely available.

Production

The European production of shrimps and prawns depends largely on wild catches: only 0.3% of the total is produced in aquaculture. Shrimp or prawn farming has not caught on in Europe yet probably because in the temperate climate production is not competitive. With 98 thousand tonnes produced in 2006 (Table 1.2), the EU production only satisfies 18% of consumption. Between 2001 and 2006, production volume decreased by 6%.

Table 1.2 Production of shrimps and prawns in the EU and 6 selected countries, in thousand tonnes, 2001-2006

	2001	2002	2003	2004	2005	2006
TOTAL	**105**	**95**	**100**	**97**	**108**	**98**
Italy	10	9	9	7	18	18
Netherlands	14	11	15	15	16	16
Spain	27	17	14	10	9	11
Belgium	1	1	1	1	1	1
France	1	1	1	1	0	1
United Kingdom	3	2	1	1	1	1

Source: FISHSTAT - Food and Agriculture Organization, 2008.

Germany, Italy, the Netherlands, Denmark and Spain are the major EU producers, in decreasing order, each producing more than 10 thousand tonnes. While the first four countries saw their production volumes go up between 2001 and 2006, the Spanish production fell dramatically in this period, from 27 to 11 thousand tonnes. This also largely explains the total drop in EU production.

Shrimp and prawn production in the EU includes more than 16 species, of which the common shrimp, the northern prawn and the deep-water rose shrimp are the most important. Common shrimp accounts for 41% of total production and northern prawn for 23%. The deep-water rose shrimp accounts for 16% and is caught mainly in the Mediterranean. Catch of common shrimp has increased 25% from 2001 to 2006, while that of northern prawns and deep-water rose shrimps has decreased (-25% and -15%).

Aquaculture production was limited to 335 tonnes in 2006. Spain is the main producer, accounting for 62% of production, followed by France (24%). Italy, Greece and Cyprus also have small production sites. Recently, small-scale production of tropical shrimps in a climate-controlled closed environment in the Netherlands has started.

Opportunities and threats

+ The EU production of shrimps and prawns is fluctuating while the demand is growing only slowly. However, production is far short of demand and there are distinct opportunities for exporters to the EU.

\+ Tropical shrimps and prawns are appreciated throughout the EU. In northern EU countries, peeled shrimps are preferred over whole shrimps. In some southern EU countries, this is the opposite.
\+ Awareness of sustainability issues in fishing and fish farming is growing quickly in most EU countries. This may result in better access conditions for sustainably produced shrimp. While there are various definitions of sustainability, organic and MSC certification are already well recognised in the market.
\+ Convenience, health and indulgence continue to be major trends in Europe, which provides opportunities for adding value. With increasing globalisation, adding such value may well be done in DCs.
± The demand for good quality fishery products (especially in matters regarding food safety) is very high.
– Though EU aquaculture production is very small at the moment, it has the potential to grow considerably in the future. Currently, prices are very high but may be lower in the future when production becomes more cost-efficient, thus stimulating more demand. However, the EU will not develop into a major producer of shrimps and prawns.

Trends and market developments offer opportunities and threats to exporters. A given trend can simultaneously be a threat for some and an opportunity for others. Therefore, they should always be analysed in relation to specific circumstances. Further information can be found in Chapter 7 of the CBI's market survey 'The fishery products market in the EU'.

Useful sources

- Fish Information & Services: website with information on international trade in fishery products - http://www.fis.com;
- IntraFish: website with information on international trade in fishery products - http://www.intrafish.com;
- Seaweb: report on the European marketplace for sustainable seafood - http://www.seaweb.org/resources/documents/SCAEuroMPReport.pdf.
- Euro Seafood Exhibition in Brussels: one of the largest fishery products trade fairs in the world - http://www.euroseafood.com.

2 Trade channels for market entry

Trade channels

The European fish and shellfish market is characterised by many small and medium sized importers, agents, processors and distributors (wholesalers). The importers and processors supply to wholesalers, caterers and retailers. The distribution channel can be long; fishery products may pass through several processors and wholesalers before it reaches the final consumers.

The most important trade channels for exporters from DCs are fish and shellfish importers and processing companies. They are at the beginning of the distribution chain. Some are specialised in specific product groups such as crustaceans or tuna, but many of them trade a large variety of fishery products. These importers aim to supply a full assortment of products to their customers.

Importers

Importers buy shrimps and prawns from abroad to sell them onward to the food industry, retail and catering packers or directly to retailers and wholesalers. In many cases shrimp importers are packers and wholesalers themselves, so-called processing importers. Importers generally have long-standing contacts with their suppliers, whom they may advise on quality requirements and customer demands.

Agents

Agents are intermediaries that establish contacts between exporters and importers and facilitate buying or selling orders. They often do not buy or acquire ownership of a shipment.

Most agents work on commission basis, which is to be paid by the seller. This is generally between 2% and 5% of the purchase price (rates may vary). There are two types of agents: agents that represent the buyers, such as the fish processing industry or re-exporters, and agents that represent sellers, mainly exporters. Agents are well informed about the current market trends, prices and users.

In many EU countries, the role of the agent is changing. Improved logistics and modern ways of communications facilitate more direct contact between supplier and importer, diminishing the need for agents. Nowadays, agents account for only a small part of the imports for shrimps and prawns. However, increased specialisation and outsourcing of services may create a new role for agents specialising in searching for new products and markets. These agents could be helpful in entering a new market.

All 6 selected countries provide good opportunities for DC exporters of shrimps and prawns. These countries have a well developed distribution system for fishery products. In CBI's fishery products market surveys covering the specific countries, more information about these systems can be found. The best business partners for exporters from DCs are exporters. Exporters interested in performing processing activities for European companies may also look at shrimp producers and processors engaged in outsourcing. Peeling of shrimp, for example, is often done in DCs, commissioned by EU producers.

The following is just a selection of a much larger number of importers of shrimps and prawns in the countries under review:

- Setraco – www.setraco.be;
- Galana – http://www.galana.be;
- Heiploeg – http://www.heiploeg.nl;
- Klaas Puul – http://www.klaaspuul.com;
- Pereira Productos del Mar: http://www.grupopereira.com
- Atka – http://www.atkashellfish.com;
- Pittman Shellfish – http://www.pittmanshellfishs.com;
- Hottlet Frozen Foods – http://www.hottlet.com.

Price structure

Margins vary greatly depending on the type of product, the distribution channel, the continual changes in supply and demand and the resulting price fluctuations. It is impossible to draw up a schedule of actual margins for every product/market combination. It is estimated that the importers work with a trade margin of some 5-10%. Competition in the EU market prevents excessive trade margins, although in some cases the gross margins may rise to 25%. Retail margins vary between some 10% for canned fish in supermarkets to some 50% for fresh products from specialised fish retailers ('fishmongers'). Generally, the gross profit margin of a specialised fish retailer or market vendor is between 30 and 45%.

Consumer prices of fishery products will generally be more than 50% higher than the CIF price (Cost, Insurance and Freight).

Details about methods and terms of payments can be found in the CBI *Export planner,* which provides more information on making an offer and handling contracts. This document is available at http://www.cbi.eu/marketinfo.

Selecting a suitable trading partner

General information on selecting suitable trading partners is available in CBI's market survey covering the EU fishery products market and the *Export planner*. Detailed information about the trade channels in particular countries is available in the CBI market surveys covering a specific country. These documents are available at http://www.cbi.eu/marketinfo.

There are many suppliers of fishery products. For a list of fish processing companies and importers, please consult the following organisations and their websites:

- http://www.seafish.org: their suppliers' database lists UK merchants, wholesalers and processors (click on land, go to seafood supplies/suppliers). There is also a bulletin board for overseas businesses interested in buying or selling fishery products in the UK (Click on resources and then on links, search by category).
- VLAM, Flemish Agricultural Marketing Boards publishes a supplier database with exporters of fishery products – http://www.vlam.be ('supplier database', under 'Export');
- Fish Information Centre (Fisch-Informationszentrum) – http://www.fischinfo.de/;
- CONXEMAR - http://www.conxemar.com – Spanish association of wholesalers, importers, manufacturers and exporters of fish products and fish farming. Check the members list on the upper left side of the page.
- Syndicat National du Commerce Exterieur (SNCE) – http://www.snce.org. Association of Frozen Food importers. Go to International trade professionals > List of members.

3 Trade: imports and exports

Imports

In 2007, the import value of shrimps and prawns reached €4.0 billion, up from €3.8 billion in 2003 (Table 3.1). This constituted an increase in value of 7.3% (1.8% per year). Import volume increased by 17.5% over this period (4.1% per year). However, according to FAO Globefish the imports of shrimps and prawns is slowing down considerably in 2008 and this is expected to continue into 2009.

Spain, Denmark, the United Kingdom, Italy and Belgium are the main importers, in decreasing order of importance. The import value of Spain has not increased in the period under review. However, its volume increased 24%. France and the UK experienced a small decrease in import value. The largest decrease was in the Netherlands where 23% less was imported in 2007 compared to 2003. Belgian imports have increased most rapidly while Italy imported a little more in 2007 compared to 2003. The imports into Germany, the seventh largest importer, grew fastest in the EU: almost 50% more in 2007 compared to 2003.

DCs have a large share in imports. In 2007, 56% of total imports came from DCs. Other EU countries supplied 32% and the rest of the world 12%. The Netherlands and Denmark are the largest EU exporters. Denmark largely exports its own produce while the Netherlands exports its own production and re-exports shrimp purchased elsewhere (including DCs). Spain, the largest importer, is very reliant on DCs, importing 83% of all shrimps and prawns from them. India, Ecuador and Argentina are the main DC suppliers to the EU.

Table 3.1 Imports of shrimps and prawns by the EU and the 6 selected countries, and the leading suppliers, 2003 – 2007, share as % of value

Product	2003 € mln	2005 € mln	2007 € mln	Leading suppliers in 2006 Share in %	Share (%)
Total EU27	**3,767**	**3,771**	**4,041**		
Intra EU	1,197	1,243	1,289	The Netherlands (8%), Denmark (7%), Belgium (3.8%), France (3.0%), Spain (2.9%)	32%
Extra EU ex. DC*	545	511	487	Greenland (4.4%), Canada (3.9%), Iceland (1.6%), Norway (1.6%), Australia (0.1%)	12%
DC*	2,025	2,017	2,264	India (6%), Ecuador (6%), Argentina (6%), Bangladesh (4.4%), Thailand (4.1%), China (3.4%), Indonesia (3.4%), Morocco (2.9%), Vietnam (2.8%), Madagascar (2.2%)	56%
Spain	**862**	**852**	**857**		
Intra EU	153	159	145	France (3.6%), Italy (2.6%), The Netherlands (2.5%), Portugal (2.2%), Belgium (1.6%)	17%
Extra EU ex. DC*	17	15	4	Australia (0.4%)	<1%
DC*	691	678	707	Argentina (20%), China (10%), Ecuador (9%), Morocco (8%), Mozambique (5%), Honduras (3.3%), Colombia (3.2%), Nicaragua (2.9%), Tunisia (2.1%), Brazil (1.8%)	83%

Product	2003 € mln	2005 € mln	2007 € mln	Leading suppliers in 2006 Share in %	Share (%)
France	**552**	**538**	**536**		
Intra EU	238	212	196	The Netherlands (13%), Belgium (12%), Spain (6%), Denmark (3.2%), Germany (0.9%)	37%
Extra EU ex. DC*	10	9	6	N. Caledonia (0.8%), U.A. Emirates (0.1%), Iceland (0.1%)	1%
DC*	303	316	334	Madagascar (16%), India (7%), Brazil (7%), Ecuador (7%), Thailand (3.6%), Vietnam (3.3%), Malaysia (3.3%), Indonesia (2.5%), Venezuela (2.4%), Colombia (2.1%)	62%
UK	**511**	**498**	**473**		
Intra EU	87	85	89	Denmark (10%), France (4.2%), Belgium (1.3%), Germany (1.3%), The Netherlands (1.0%)	19%
Extra EU ex. DC*	155	141	111	Canada (10%), Iceland (10%), Norway (3.1%), USA (0.2%)	23%
DC*	269	271	272	India (13%), Thailand (12%), Indonesia (10%), Bangladesh (7%), Ecuador (4.2%), Vietnam (3.1%), Honduras (2.5%), Malaysia (2.0%), China (1.4%), Colombia (1.0%)	58%
Belgium	**363**	**365**	**470**		
Intra EU	146	145	167	The Netherlands (29%), France (2.4%), United Kingdom (2.1%), Germany (1.8%), Spain (0.1%)	36%
Extra EU ex. DC*	6	0	1	U.A. Emirates (0.1%)	<1%
DC*	211	220	302	Bangladesh (19%), India (15%), Indonesia (9%), Ecuador (6%), Thailand (3.3%), Vietnam (3.2%), Morocco (2.4%), China (2.2%), Nigeria (1.7%), Malaysia (1.3%)	64%
Italy	**368**	**354**	**373**		
Intra EU	163	152	139	Denmark (12%), Spain (11%), The Netherlands (4.7%), France (3.6%), United Kingdom (2.8%)	37%
Extra EU ex. DC*	2	4	2	U.A. Emirates (0.5%)	<1%
DC*	204	198	232	Ecuador (22%), Argentina (16%), India (4.9%), Tunisia (4.8%), Malaysia (2.7%), China (2.5%), Vietnam (2.3%), Venezuela (1.8%), Thailand (1.6%), Indonesia (1.4%)	62%
The Netherlands	**289**	**249**	**252**		
Intra EU	76	87	81	Germany (11%), Denmark (11%), Belgium (7%), United Kingdom (2.1%), France (1.1%)	32%
Extra EU ex. DC*	6	6	5	Iceland (1.1%), Canada (0.8%)	2%
DC*	207	156	166	Morocco (16%), Bangladesh (9%), Nigeria (6%), Vietnam (6%), Indonesia (5%), India (4.9%), China (3.7%), Thailand (3.1%), Ecuador (3.0%), Brazil (1.3%)	66%

Source: Eurostat 2007 and 2008
*Developing Countries

Imports of shrimps and prawns are categorised in the Harmonised System as fresh, frozen and prepared or preserved (see Appendix A). Most imports arrive as frozen: 70% of total (Table 3.1). Imports not frozen contribute 6% and prepared or preserved 25%. Penaeus species are the most important, accounting for 40% of total imports. They are imported frozen. Though the volume of imports of Penaeus species is growing, prices have been falling and the value of imports decreased. Crangon species account for 67% of the not-frozen imports, but contribute only 4.5% to the total overall import value. Pandalidae are the next major species in both the frozen and the not-frozen domains. Imports of all species are growing, for except Pandalidae in and the remaining category of other shrimps and prawns.

As Table 3.2 shows, Spain has a very strong position in the imports of frozen shrimp, being the main importer of all species. Spain has a very strong position especially in Parapenaeus imports, accounting for 79% of EU imports of these species (mainly from Argentina). In the fresh domain, the Netherlands and Belgium are the main importers, with strong positions in the imports of Crangon species. The situation for not-frozen Pandalidae is mixed, with Italy holding the major position ahead of the UK and Spain.

Table 3.2 Imports of shrimps and prawns by type and species, in million €, 2007

	EU 27	Spain	France	UK	Belgium	Italy	NL
All Shrimps Prawns:	**4,041**	**857**	**536**	**473**	**470**	**373**	**252**
Frozen Shrimps Prawns	**2,814**	**835**	**437**	**237**	**301**	**308**	**128**
Penaeus	1,631	470	357	140	184	165	91
Other Shrimps Prawns	769	234	71	85	109	113	31
Pandalidae	287	44	8	12	2	16	1
Parapenaeus	100	79	1	0	1	14	0
Crangon	27	7	0	0	6	0	5
Not Frozen Shrimps Prawns	**231**	**12**	**24**	**10**	**55**	**16**	**56**
Crangon	155	3	19	1	40	5	53
Pandalidae	45	6	2	7	4	8	2
Other Shrimps Prawns	31	3	2	2	10	3	1
Prep. & pres. Shrimps Prawns	**996**	**9**	**75**	**225**	**114**	**49**	**69**

Source: Eurostat, 2008.

Exports

From 2003 to 2007, exports of shrimps and prawns increased from 1.6 to 1.9 billion euro, an increase of 14.9%. Volume increased from 316 to 341 thousand tonnes, an increase of 20.5%. The largest share of these exports is destined for other EU countries (85%); 15% to other countries outside the EU, of which 7% to DCs. Almost half of the exports to DC’s consisted of whole shrimps and prawns that are cleaned and peeled in Morocco and then re-exported to EU countries. These exports have grown 36% between 2003 and 2007. Cleaning and peeling is done by hand and is therefore labour-intensive.

Exports consisted of prepared and preserved shrimps and prawns (32% of the export value in 2007), penaeus shrimps (22%), pandalidae shrimps (14%), crangon shrimps (11%) and other shrimps (23%). Exports of crangon shrimps are growing fastest in value (+59%) mainly due to rising prices as volume increased only 20%.

The major exporters are Denmark, the Netherlands, Belgium, Spain and the United Kingdom. The first three saw their exports grow in the period under review, while the last two experience a decrease. Of these major exporters, especially the Netherlands and Belgium are important re-exporters of shrimps and prawns (penaeus) imported from DCs.

France (13% of the export value in 2007), Germany (12%), Italy (9%), the UK (9%) and Belgium (9%) were the main destinations for shrimp exports from other EU countries. The main non-EU destinations were Morocco, China and Ukraine.

Opportunities and threats

+ The import volume of shrimps is expected to grow further, though growth rates are likely to be lower than in the period under review. The EU will continue to depend on imports to meet the domestic demand.
+ All countries are importers of shrimps and prawns, but imports from DCs are especially large in Spain, France, the United Kingdom, Belgium, Italy, Germany and the Netherlands. These 7 countries import virtually all shrimps and prawns from DCs and redistribute them to other (EU) countries.
+ Penaeus species are performing best in imports from DCs. They will continue to be the most important species though other species provide good opportunities as well.

+ Spain and France are the largest markets for shrimps and prawns from DCs with Belgium and Italy as interesting runners-up.
– Consumption and imports of shrimps and prawns have benefited from low prices. If and when prices start to increase again, this will most likely reduce the market growth.

More information on the opportunities and threats can be found in Chapter 7 of the CBI's market survey 'The fishery products market in the EU'.

Trends and market developments offer opportunities and threats to exporters. A given trend can simultaneously be a threat for some and an opportunity for others. Therefore, they should always be analysed in relation to specific circumstances. For further information, please consult Chapter 7 of the CBI's market survey 'The fishery products market in the EU'.

Useful sources
- EU Expanding Exports Helpdesk - http://exporthelp.europa.eu/;
- Eurostat, official statistical office of the EU - http://epp.eurostat.ec.europa.eu/.

4 Price developments

Shrimps and prawns from DCs are often frozen products with a long shelf life, traded on the global market. For fresh produce, regional markets exist. But even regional markets are affected by global developments. Global supply and demand are therefore important factors in the price setting of fishery products from DCs. Prices will fluctuate, showing seasonal, annual and longer-term trends.

Although there is a world market for fishery products from DCs, few EU importers buy on an incidental basis or the spot market. Differences in national trade prices for these products may exist due to differences in the type and quality of the products, origin or intensity of the competition. Exporters are recommended to monitor markets and prices closely, in order to quote realistic prices.

In 2007 and 2008, shrimp prices were generally at low levels. This was due to abundant global supply, and the fact that growth in major markets such as the US is slowing down. Many exporters to the US turned to Europe, but this did not stop prices from being low. The international prices for shrimp and prawns appear to differ from the global increasing food prices. However, it is unlikely that the prices will continue to remain low as the costs in fishing and fish farming, processing and transport are rising. On the other hand, there may be very little room for shrimp price to increase in the short run, as the demand in the EU market is slowing down considerably (FAO Globefish 2008).

Table 4.1 shows trade prices of some of the most traded species from different origins to different countries in the EU. The prices are from April 2008.

Table 4.1 Import prices of some of the main species imported from DCs. Prices are for April 2008.

Species	Product from	Grading	Price per kg	Reference area	Origin
Black tiger *Penaeus monodon*	Blockfrozen- headless shell-on net weight	16-20 pc/lb 21-25 26-30 31-40	8.00 7.30 6.55 4.80	Spain cif	Bangladesh
	Headless, shell-on, IQF 80% net weight	6-8 pc/lb 8-12 13-15 16-20	11.71 7.59 6.68 5.16	Germany cfr	Vietnam
	Head-on, shell-on, 80% net weight semi IQF	6-8 pc/lb 8-12 13-15 16-20	8.86 7.15 5.63 4.43	Belgium cfr	Indonesia
Whiteleg shrimp *Penaeus vannamei*	Headless, shell-on block 6*1.8kg	31-40 pc/lb 41-50	5.19 4.56	Germany cfr	Indonesia
	Wild, head-on, shell-on 80% net weight semi IQF	6-8 pc/lb 8-12 13-15 16-20	8.86 7.72 6.01 4.56	Spain cfr	Indonesia
	Farmed 12% glazing	51-60 pc/lb	4.75 6.00	Europe cfr	Vietnam Thailand

Source: FAO Globefish European Price Report, issue April 2008.

The CBI market survey 'The fishery products market in the EU' provides more information on the price levels of fishery products in the EU.

5 Market access requirements

Manufacturers in a developing country preparing to access any country of the European Union should be aware of the market access requirements of the particular country, the EU and of potential trading partners. Requirements are specified through legislation and through labels, codes and management systems. They are often based on consumer health and safety, environmental and social concerns.

For information on legislative and non-legislative requirements, go to 'Search CBI database' at http://www.cbi.eu/marketinfo, select the market sector and the 'The fishery products market in the EU' all in the category search, click on the search button and click on market access requirements.

Food products intended for final consumers (finished, retail-packed products) must carry a label with information in the language of the country of destination. Additional information on packaging can be found at the website of International Trade Centre (ITC) on export packaging: http://www.intracen.org/ep/packit.htm.

Tariffs
For many fishery products entering the EU, an import tariff has to be paid. The tariff rate is highest for prepared and preserved shrimps (20%), followed by common shrimp (Crangon crangon, 18%) and Penaeus and Parapeneus species (12%). These tariff rates can also be found at http://exporthelp.europa.eu/.

Countries that are part of the Generalised System of Preferences (GSP) of the EU can make use of preferential tariffs, which are substantially lower than the normal tariffs. There is no import quota for shrimps and prawns. See the CBI market survey 'The fishery products market in the EU' for more information on GSP.

In the EU, the value added tax rate (VAT) differs per country. Information on the VAT rate applicable in each country can be found in the CBI country surveys.

6 Doing business

Information on doing business can be found in the CBI export manuals 'Export Planner', 'Your image builder' and 'Exporting to the EU'. Subjects covered include approaching potential business partners, building up a relationship, drawing up an offer, handling the contract, methods of payment and terms of delivery.

Cultural awareness, in addition, is a critical skill in securing success as an exporter. Information on cultural differences in the EU can be found in Chapter 3 of the CBI export manual 'Exporting to the EU'. Each of these documents can be downloaded from http://www.cbi.eu/marketinfo - go to search publications.

Visiting or participating in a trade fair is an important promotional tool and way of approaching potential trading partners. The most important international fishery products trade fair is European Seafood Exposition (ESE) in Brussels, Belgium. The next fair is 28 – 30th April 2009. For information, please visit: http://www.euroseafood.com.

Trade journals, professional websites and newsletters are important sources of up-to-date information on developments in the shrimps and prawns sector. The most relevant source for exporters of shrimps and prawns to the EU is Seafood Processors, http://www.seafoodprocessor.com - the only international monthly magazine providing technical information on processing, packaging, refrigeration, quality control, hygiene, storage and transport for the fishery products industry. The magazine includes updates on regulatory and certification issues, research and development and logistics.

Other useful sources:
- Globefish: the unit of the FAO responsible for information on international fish trade. They regularly publish market reports on many fishery products on their website - http://www.globefish.org;
- Fish Information & Services: website with information on international trade of fishery products - http://www.fis.com;
- IntraFish: website with information on international trade of fishery products - http://www.intrafish.no/global;
- Pan European Federation of Auctions (PEFA) - http://www.pefa.com/pefaportal/en/index.htm;
- SeafoodSource.com: a site for professionals in the seafood industry with information on seafood industry suppliers and products from around the world – http://www.seafoodsource.com;
- Seafood International: http://www.seafood-international.com;
- FIS: http://www.fis.com – website with global information on the fishery products industry.

This survey was compiled for CBI by Mercadero.

Appendix A General product description

Shrimps and prawns are categorised in the Harmonised System as frozen, not frozen and prepared or preserved. In the frozen and not-frozen domains a distinction is made between the major groups of species. The HS codes mentioned in the Table below are included in the statistics in this study.

Common names of shrimps and prawns can be very confusing and various different names are often used for one species. In English, the words shrimps and prawns themselves are also understood differently depending on the particular country. Moreover, the biological distinction between shrimps and prawns is not used consequently in common speech. In this study the words ‘shrimps’ and ‘shrimps and prawns’ are used interchangeably, to indicate all shrimps and prawns. The FAO website identifies some important commercial species as follows:

- Crangon crangon (common shrimp, coldwater shrimp): North Sea, Northern Atlantic
- Pandalus borealis (northern red shrimp/northern prawn): Northern Atlantic
- Pleoticus muelleri: Argentina
- Parapenaeus longirostris (deep-water rose shrimp): Mediterranean
- Penaeus monodon (giant tiger prawn): Indonesia, Western Pacific, Southeast Asia
- Penaeus indicus (Indian white shrimp): India and Indonesia
- Litopenaeus vannamei (whiteleg shrimp): Ecuador, Mexico and Brazil

Frozen shrimps and prawns	**HS code**
Frozen Pandalidae Frozen Crangon Frozen Parapenaeus Frozen Penaeus Other frozen shrimps and prawns	0306 13 10 0306 13 30 0306 13 40 0306 13 50 0306 13 80
Not frozen shrimps and prawns	**HS code**
Not frozen Pandalidae Not frozen Crangon Other not frozen shrimps and prawns	0306 23 10 0306 23 31 0306 23 39 0306 23 90
Prepared or preserved shrimps and prawns	**HS code**
Prepared or preserved shrimps and prawns	1605 20

Appendix B References

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