

EU MARKET SURVEY 2005

Fishery products



Centre for the Promotion of
Imports from developing countries

EU MARKET SURVEY 2005

FISHERY PRODUCTS

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TABLE OF CONTENTS

REPORT SUMMARY	5
INTRODUCTION	9
PART A: EU MARKET INFORMATION AND EU MARKET ACCESS REQUIREMENTS	11
1 PRODUCT CHARACTERISTICS	12
1.1 Product groups	12
1.2 Customs/statistical product classification	14
2 INTRODUCTION TO THE EU MARKET	16
3 CONSUMPTION	19
3.1 Market size	19
3.1.1 EU market	19
3.1.2 Denmark	23
3.1.3 France	24
3.1.4 Germany	28
3.1.5 Italy	30
3.1.6 The Netherlands	32
3.1.7 Spain	34
3.1.8 United Kingdom	35
3.2 Market segmentation	36
3.3 Consumption patterns and trends	37
4 PRODUCTION	41
4.1 EU	41
4.2 Denmark	49
4.3 France	49
4.4 Germany	49
4.5 Italy	49
4.6 The Netherlands	49
4.7 Spain	49
4.8 UK	50
5 IMPORTS	51
5.1 Total imports	51
5.1.1 Denmark	53
5.1.2 France	54
5.1.3 Germany	56
5.1.4 Italy	57
5.1.5 The Netherlands	59
5.1.6 Spain	61
5.1.7 United Kingdom	63
5.2 Imports by product group	64
5.2.1 Shrimps and prawns	66
5.2.2 Tuna	68
5.2.3 Cephalopods	70

5.2.4 Hake	72
5.2.5 Crab & lobster	74
5.2.6 Molluscs	76
5.2.7 Sardines	78
5.3 The role of the developing countries	80
6 EXPORTS	88
6.1 EU	88
6.1.1 Denmark	89
6.1.2 France	89
6.1.3 Germany	90
6.1.4 Italy	90
6.1.5 The Netherlands	90
6.1.6 Spain	90
6.1.7 United Kingdom	90
7 TRADE STRUCTURE	91
7.1 EU trade channels	91
7.1.1 Denmark	95
7.1.2 France	95
7.1.3 Germany	97
7.1.4 Italy	98
7.1.5 The Netherlands	99
7.1.6 Spain	100
7.1.7 United Kingdom	102
7.2 Distribution channels for developing country exporters	103
8 PRICES	105
8.1 Price developments	105
8.2 Sources of price information	108
9 EU MARKET ACCESS REQUIREMENTS	110
9.1 Non-tariff trade barriers	110
9.1.1 Product legislation	110
9.1.2 Market requirements	113
9.1.3 Occupational health and safety	115
9.1.4 Environmentally sound production	115
9.1.5 Packaging, marking and labelling	116
9.2 Tariffs and quotas	120
9.2.1 Reference price system	122
PART B: EXPORT MARKETING GUIDELINES	124
10 EXTERNAL ANALYSIS	126
10.1 Market developments and opportunities	126
10.2 Market access requirements	127
10.3 Competitive analysis	128
10.4 Sales channel assessment	129
10.5 Logistics (external)	130
10.6 Price structure	132
10.7 Product profiles	134

11 INTERNAL ANALYSIS	139
11.1 Product range	139
11.2 Product standards, quality, USPs and production capacity	139
11.3 Logistics (internal)	141
11.4 Marketing and sales	142
11.5 Financing	143
11.6 Capabilities	143
12 DECISION MAKING	145
13 EXPORT MARKETING TOOLS	148
13.1 Matching products and the product range.	148
13.2 Building up a relationship with a suitable trade partner	148
APPENDIX 1 DETAILED HS CODES	159
APPENDIX 2 DETAILED IMPORT/EXPORT STATISTICS	163
APPENDIX 3 USEFUL ADDRESSES	173
APPENDIX 4 LIST OF DEVELOPING COUNTRIES	181
APPENDIX 5 USEFULL INTERNET SITES	182
APPENDIX 6 LIST OF (PROVISIONALLY) HARMONISED COUNTRIES	183
APPENDIX 7 REFERENCES	187

Update of EU Market Survey Fishery Products (August 2004)

REPORT SUMMARY

This market survey describes and analyses the EU market for fishery products. The emphasis is on products of particular relevance to developing countries: shrimps and prawns; tuna; hake; molluscs; cephalopods; crab and lobster; and sardines. The major national seafood markets in the European Union are highlighted. Special attention is given to the ten new member states of the EU.

Consumption and trends

Consumption of fishery products in the EU-15 stands at a very high level of –on average– 26.3 kg per head in 2002, on the basis of live weight equivalent. Next to Japan, this is the highest consumption level in the world. Within the EU, Portugal has the highest consumption per head (59.3 kg), followed by Spain (47.5 kg), Sweden, Finland and France (each just above 30 kg). Germany, Austria and other central European countries have the lowest consumption levels, ranging from 5 to 15 kg. The consumption patterns of fishery products among the European countries are very different.

The total market in the EU-15 measured 9,962 thousand tonnes in live weight equivalent in 2002, which is 10 percent of world consumption of fishery products. Spain, France and Italy are the largest European seafood markets. The new member states add 1,052 thousand tonnes to the total volume, which is a bit more than 10 percent. Poland has the largest seafood market of the new members, contributing about half of their total, followed by Lithuania and the Czech Republic. The Polish consumption level, however, is far below the European average, at 13.1 kg.

Seafood consumption in the EU-15 shows an increasing long-term trend, which started in the early 1980s. Since the end of the 1990s, however, the trend has been more erratic, with the current level just below the all-time high of 26.5 kg in 1998. Among the new member states especially the former communist countries experienced a strong decline during the conversion to a market economy in the 1990s, but they have now largely recovered from this. With disposable incomes expected to increase in all new member states, spending on animal protein and –thus- fishery products are also set to increase.

In France, household consumption of fish products grew by 3.7 percent in volume and 1.1 percent in value in 2004. Most fish is sold as fresh and increasingly in the form of filets instead of whole. The market for speciality products (traiteur) is also increasing significantly. Nile perch has only recently entered the French market, but has already gained a substantial share. The French show a strong appreciation for molluscs –clams in particular–, although this market has stopped growing.

Germany's per caput consumption is below the EU average, but the market is important due to its population size. 90 percent of the fishery products consumed in 2002 was fish; shellfish is not very popular. Pollack, herring and tuna are the most popular species. Unlike the Mediterranean countries, most of the German consumption concerns prepared and preserved fishery products.

In Spain, fresh fish is the most popular category. But molluscs, crustaceans and especially squid are also liked by the Spanish consumers. In Italy, the majority of all seafood is also fresh or chilled. Molluscs are especially popular. Italy is also an important market for octopus. In 2003 there was a remarkable growth in consumption of scampi and clams. But the Italian consumption level is far below the Spanish.

European consumers have increasingly turned to shrimps and prawns. Warmwater prawns have also been well received. This trend is visible in most European countries, but with the exception of Germany. Certain new fish species have also become very

successful, for example Pangasius (Vietnamese catfish) and Nile perch. Volumes are increasing rapidly. These new species are appreciated for their neutral taste and low price.

Filleted fish is gaining share at the expense of whole fish throughout the Union. Consumers demand more convenience in their purchases of seafood. Also value-added products such as smoked fish, ready-made fish products and fish-based ready meals are becoming more popular. A remarkable trend is the development of new seafood products for special occasions or for special enjoyment. Examples of such products are: tapas; fish based hors d'oeuvres; sushi; and pastry products.

Some consumers are still reluctant to accept fishery products in their daily diets, because they see fish as difficult to prepare. By making seafood more convenient, and educating consumers on methods of preparations, seafood sales can increase. The positive health aspects of seafood can also be an incentive for consumers to buy seafood. Emphasizing these aspects could help in the acceptance of seafood by more consumers.

Production of fishery products in the EU

EU production of fishery products (wild catches) stood at 5.3 million tonnes live weight in 2003, down from 5.7 million tonnes a year earlier. Wild-catch production has shown a declining trend since more than a decade. Although representing only 5 percent of world production, the EU-15 as a whole is the third global producer, after China and Peru. Denmark, Spain, the United Kingdom and France are the major overall producers of fishery products in the EU. The new member states have moderate production levels, adding approximately 10 percent to the EU-15 total.

Fish catches in the European Union largely depend on Total Allowable Catches (TAC) as agreed by the European Council. Aquaculture is responsible for about one-sixth of total EU fish production. Mussels, rainbow trout, salmon and oysters are the main species produced in the EU. Norway, which is not part of the Union, is by far the largest aquaculture producer in Europe, in particular of salmon. Within the Union, Spain, France, Italy and the United Kingdom are the largest aquaculture producers.

Import and export of fishery products

The European Union is a major net importer of fishery products, since production falls far short of demand. Import volume increased by 5 percent in 2003 to 8.0 million tonnes (product weight). Import value, however, fell by 5 percent to reach 23.3 billion euro. This can be attributed to the 16 percent increase of value of the euro compared to the US dollar from January 2003 to January 2004. Spain, France, Italy, Germany and the United Kingdom are the major importers. Denmark and the Netherlands specialize in re-exporting and adding value to imported products. Their average import price was the highest in the EU.

Norway, Denmark and the Netherlands are the major supplying countries to the European market, where internal trade is dominant. European countries mostly supply fresh fish and shellfish to their neighbours. Iceland, Morocco, Argentina and the United States are the first non-European suppliers.

Developing countries had a share of 31 percent in total EU imports in 2003, up from 29 percent in 2002. Their share of imports from outside of the EU, however, is 54 percent. Shrimps and prawns are the largest imported product group by volume; tuna in terms of value. Developing countries have important shares in (total) imports of hake (72 percent), cephalopods (63 percent), tuna (61 percent), and shrimps and prawns (54 percent).

In 2003, the volume of EU exports increased by 7 percent to 5.3 million tonnes, while value remained nearly equal. Denmark, the Netherlands and Spain are the largest exporters of fishery products. EU exports were mainly destined to other EU countries. The major exported product group was fresh or chilled fish, while frozen fish exports showed most growth.

Opportunities for exporters in developing countries

The EU market for fishery products offers large opportunities for developing countries. The volume of the market is expected to increase, while production is forecast to decline.

Live fish

Live fish present an opportunity for those exporters that can manage the logistical difficulties. Especially crab and lobster are sometimes transported over long distances.

Frozen fishery products

Frozen fish is less perishable and easier to transport than live and fresh fish. Developing countries have a substantial share in exports of major fish species as tuna and hake. There are specific opportunities in filleted fish and ready-prepared frozen fishery products.

Prepared or preserved fish

The major prepared or preserved fish imported are sardines, anchovies, surimi and tuna. Sardines offer an interesting opportunity because they are expensive, while tuna is interesting because the market volume is large and still increasing.

Fish fillets and meat

Interesting products are frozen fillets of tuna, hake, Alaska pollack, Nile perch and Pangasius. Frozen fish meat of hake and megrim is also important. The low labour costs are a major advantage for processors and exporters in developing countries. Chinese exports of double frozen fillets of Alaska pollack and yellowfin sole have become an important factor in the market.

Crustaceans

Developing countries account for more than 50 percent of total imports of crustaceans into the EU. Although prices for shrimps and prawns have declined, market volume is expected to continue to grow. The share of developing countries in large crustaceans is very low but due to the high prices, it is an interesting market.

Molluscs

Developing countries supply over 40 percent of mollusc imports by EU member countries. Although the EU market strongly appreciates regional molluscs such as blue mussels and clams, there are opportunities in cuttlefish, squid and octopus. These products have a high demand (and are high-priced) and supply has been insufficient in the past.

Value-added fishery products

In general, the demand for value-added fishery products in Europe is growing strongly. There are many options of adding more value in developing countries. Specific opportunities include:

- Tuna: there is a good demand for frozen tuna loins (for canneries) as well as for fresh tuna loins or steaks.
- Nile perch: Nile perch is already exported in processed form, mainly individually quick-frozen (IQF) boneless deep-skinned fillets. Smoking, portioning and vacuum packing for distribution directly to the supermarkets may provide further opportunities.

- Cephalopods: there is a strong demand in South-European countries. Unfortunately, there is also strong competition from processors in those countries.
- Shrimps and prawns. Since peeling is labour-intensive, many European companies have outsourced this and other parts of the processing to third countries. Recently more value-added shrimp products have been put on the market with a good acceptance, for example IQF shell-on and peeled shrimp skewers. The acceptance of exotic and for more expensive species is growing as well.
- Fish-based ready meals and other ready-to-use products are quickly growing categories, but they require solid knowledge of consumer preferences and a strong marketing effort. They are best addressed in cooperation with a strong European partner.

INTRODUCTION

This CBI survey consists of two parts: EU Market Information and EU Market Access Requirements (Part A), and Export Marketing Guidelines (Part B). It is an update of CBI's similar survey of last year (CBI 2004).

Market Survey	
Part A EU Market Information and Market Access Requirements	
<p>EU Market Information <i>(Chapters 1-8)</i> Product characteristics Introduction to the EU market Consumption and production Imports and exports Trade structure Prices</p>	<p>EU Market Access Requirements <i>(Chapter 9)</i> -Non-tariff trade barriers: Product legislation Market requirements: Occupational health and safety Environmentally sound production Packaging, marking and labelling -Tariffs and quotas</p>
Part B Export Marketing Guidelines: Analysis and Strategy	
<p>External Analysis (market audit) <i>(Chapter 10)</i> Opportunities & Threats</p>	<p>Internal analysis (company audit) <i>(Chapter 11)</i> Strengths & Weaknesses</p>
<p>Decision Making <i>(Chapter 12)</i></p> <p><i>SWOT and situation analysis: Target markets and segments Positioning and improving competitiveness Suitable trade channels and business partners Critical conditions and success factors (others than mentioned)</i></p> <p><i>Strategic options & objectives</i></p>	
<p>Export Marketing <i>(Chapter 13)</i></p> <p><i>Matching products and product range Building up a trade relationship Drawing up an offer Handling the contract Sales promotion</i></p>	

Chapters 1 to 8 of Part A profile the EU market for fishery products. The emphasis of the survey lies on those products that are of importance to developing country suppliers. The major national markets within the EU for those products are highlighted. Furthermore statistical market information on consumption, production and trade, and information on trade structure and opportunities for exporters is provided.

Chapter 9 subsequently describes the requirements that have to be fulfilled in order to get market access for the product sector concerned. It is furthermore of vital importance that exporters comply with the requirements of the EU market in terms of

product quality, packaging, labelling and social, health & safety and environmental standards.

After having read Part A, it is important for an exporter to analyse target markets, sales channels and potential customers in order to formulate export marketing and product strategies. Part B therefore aims to assist (potential) exporters from developing countries in their decision-making process.

After having assessed the external (Chapter 10) and internal environment (Chapter 11), the (potential) exporter should be able to determine whether there are interesting export markets for his company. In fact, by matching external opportunities and internal capabilities, the exporter should be able to identify suitable target countries, market segments and target product(s) within these countries, and possible trade channels for export of the selected products (Chapter 12).

Chapter 13 subsequently describes marketing tools that can be of assistance in successfully achieving the identified export objectives.

The survey is targeted at both starting exporters and exporters already engaged in exporting (to the EU market). Part B is especially targeted at more experienced exporters starting to export to the EU and established exporters looking for new EU markets, sales channels or customers. Starting exporters are advised to read this publication together with CBI's Export Planner, a systematic guide on how to set up export activities, and the interactive tool on the CBI website called Export Marketing Plan.

PART A:

EU MARKET INFORMATION AND EU MARKET ACCESS REQUIREMENTS

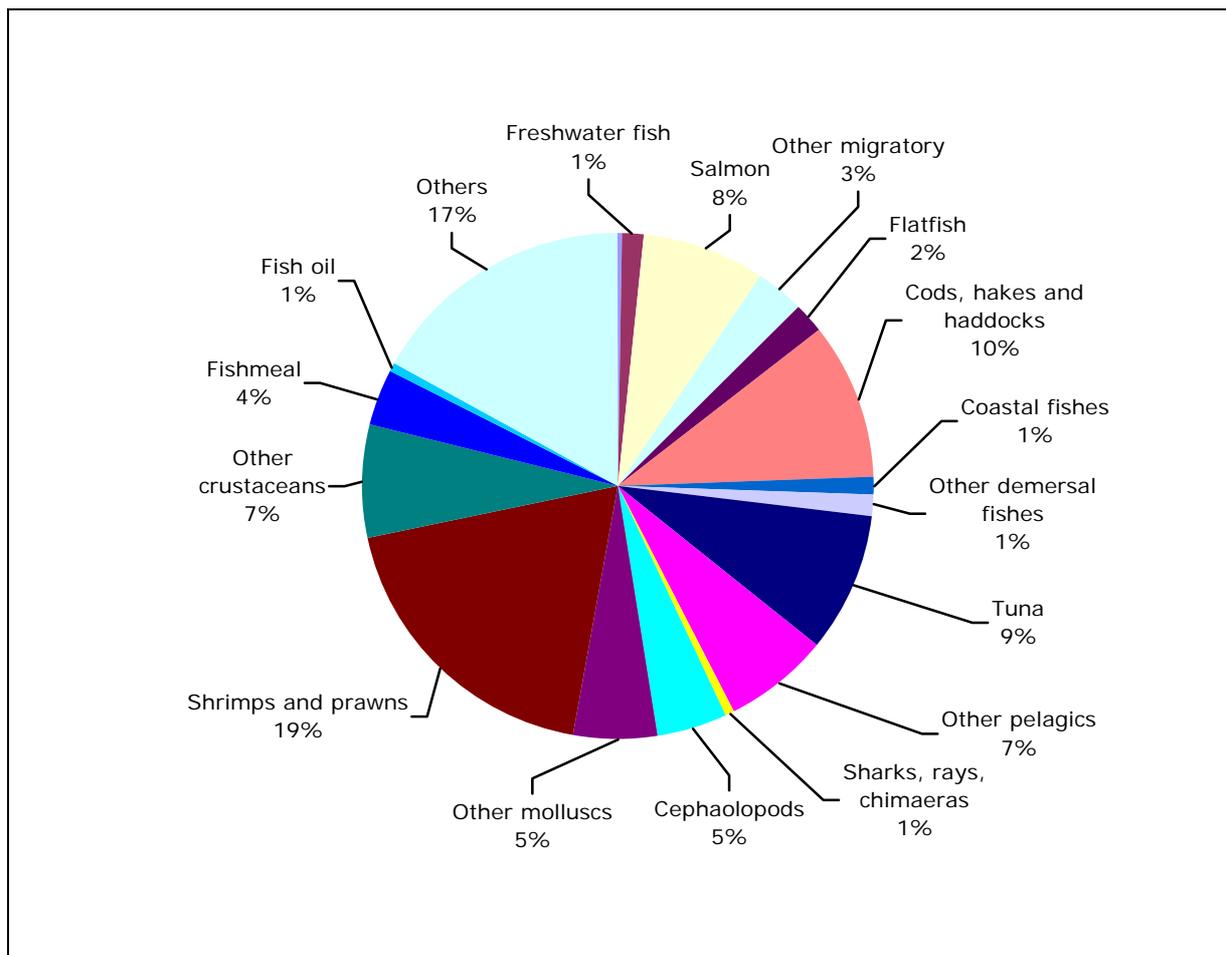
1 PRODUCT CHARACTERISTICS

1.1 Product groups

The label fishery products is used in this report in a broad sense, including both the original fishery products from wild-catch fisheries, either obtained from marine or inland waters, and aquaculture products. The term is used in reference to fish, molluscs and crustaceans, three major groups of aquatic animals used commercially as a food. Our definition excludes aquatic mammals, frogs and other aquatic animals that are subject to specific protective measures, restricting or prohibiting their commercial use. Neither does it include ornamental fish, since these are obviously not used as food and traded in a different market.

In a global perspective, shrimps and prawns are the most important product group traded, followed by salmon, cods, hakes and haddocks and tuna (Figure 1.1). Another frequently used classification is in pelagic (free-ranging in the oceans), demersal (of the coastal zones) and freshwater fish; molluscs (cephalopods such as squid and other molluscs such as mussels); and crustaceans (shrimps and prawns and other crustaceans such as crab and lobster).

Figure 1.1 Global exports of fishery commodities in 2001, share of total value



Source: Vannuccini 2003

Capture fisheries

Volumes of wild-catch fishery production have remained fairly stable since 1995, apart from the variations in Peruvian anchoveta, the major fishmeal (feed) species. These variations are largely environmentally-driven, e.g. by El Niño. In 2001, world capture fisheries reached 92.4 million tonnes live weight. The top species were anchovies, Alaska pollack, Chilean jack mackerel, Atlantic herring, Japanese anchovy and skipjack tuna, each amounting to over 1 million tonnes (Vannuccini 2003).

Aquaculture

World aquaculture production reached 37.9 million tonnes in 2001. In just a decade world aquaculture production has doubled, with China reporting the highest growth rate and currently accounting for 69 percent of total volume. The next major producers are India, Indonesia, Japan and Thailand, clearly indicating the Asian dominance in this category, although there are many countries with substantial production. While the term aquaculture usually refers to fishery products spawned and raised in a controlled environment, there is a variant where fish or shellfish are caught in their natural environment when juvenile and then kept until they reach the desired size and weight for commercial use. This is the case of Dutch (Zeeland) mussel production, for example. The world top aquaculture species were Japanese kelp (seaweed), Pacific cupped oyster, several types of carp, Japanese carpet shell, yesso scallop, laver (seaweed), tilapia and Atlantic salmon (Vannuccini 2003). However, only the last two species are exported in significant quantities to the European Union.

Commercial formats for processing

Fishery products are perishable and some type of conservation is usually needed before they are placed on the market. About half of the world's edible fish production is marketed as fresh produce (Vannuccini 2003)¹. What is presented to the consumer as fresh or chilled produce, however, may have been frozen previously and thereafter defrosted. But specific legislation applies. Some species such as oysters, mussels, crab and lobster may also be marketed alive (and possibly chilled as well). The next major commercial formats are freezing, canning and curing. Curing refers to a variety of preservation measures including smoking, salting and drying.

Value-added products

Besides the traditional processing techniques primarily aimed at preservation, there is a category of processed products often labelled as value-added products. In the fish trade the term is often applied to products prepared in a more complex manner such as surimi, breaded fish, fish sticks and ready-made meals and meal components. However, more simple products such as peeled shrimps and fish fillets may also be considered value-added products.

Role of developing countries

Fishery products are a trade commodity of major importance to developing countries. In terms of total net export value from developing countries, fishery products are by far the largest group of agricultural commodities outclassing important products such as coffee, cocoa and bananas. Also the growth in export is strong (FAO 2004a).

Because of the limited shelf life of fresh (chilled) fish, most fishery products from developing countries are preserved in some way. Freezing and canning are the most common forms of preservation. But some developing countries manage to supply fresh or live fish using air transport. The supply from developing countries consists mostly of warm-water species from tropical areas, which makes their acceptance on western markets more difficult. Products from abroad will have an easier introduction in the European market if they can serve as substitutes for local species.

¹ Apart from the major category of fish processed for feed (fish meal).

The following product groups are considered to have particular relevance for developing countries and will be highlighted in the study:

- Tuna (yellowfin, albacore, longfin, skipjack and bonito)
- Hake
- Sardines
- Cephalopods (octopus, cuttlefish and squid)
- Other molluscs (oysters, scallops and mussels)
- Shrimps and prawns
- Other crustaceans (crab and lobster)

Typical coldwater species such as coalfish, pollack, cod, plaice, sole and the pelagics mackerel, horse mackerel and herring will receive less attention. They are important in European markets but not for production in developing countries.

Feed

While this report focuses on fishery products used for human consumption, an estimated 31 million tonnes or 19 percent of the world fishery production is used for fishmeal and other non-food purposes (Vannuccini 2003). Fishmeal is primarily used as animal feed, partly for sustaining the quickly expanding aquaculture sector. But carnivorous species such as salmon, shrimp, prawns and bream, which depend on fish meal, only account for 10 percent of world aquaculture production (FAO 2004b). Fish oil is another industrial ingredient with applications in the food, pharmaceutical and chemical industries. Since it is used as a food ingredient, fish oil is included in the fishery products totals.

Seaweeds

Although this report focuses on aquatic animals such as fish and shellfish, there is an interesting and growing market for aquatic plants, in particular seaweeds, which are increasingly used as food, but also have many specific non-food uses. Agar agar, for example, which is derived from seaweed, is widely used as a culture medium in laboratories. Nori is a well-known product from China and Japan that is used as coating for sushi. It consists of thin sheets of processed and dried seaweed. Carrageenan is a natural food-grade material obtained from red seaweeds with applications in many consumer and industrial markets. Its primary uses are in food, cosmetics (toothpaste) and other industrial markets, for example as a stabilizer, thickener or gel.

Cross-sections used in this survey

In this survey, two different cross-sections are regularly taken from the statistical databases. One cross-section (selection) is limited to the groups of species relevant to developing countries mentioned above. This does not give a picture of the total market since important species are missing. The other cross-section is based on the general categories for fishery products of the Harmonised System, as shown in the following Paragraph (Table 1.1). This cross-section comprises all fishery products and distinguishes between forms of preservation. Special care should be taken when volumes are compared or added. One method compares volumes on the basis of real product weight, as in the Harmonised System, while another method is based on live weight equivalent. This latter method, as used for example by FAO, translates product weights into the weight of the original species caught or farmed. This method is particularly useful when consumption levels are compared, as in Chapter 3.

1.2 Customs/statistical product classification

In January 1988, a unified coding system was introduced to harmonise the trading classification systems used world-wide. This system is called the Harmonised Commodity Description System (HS) and was developed by the World Customs Organisation (WCO). The system comprises about 5000 commodity groups arranged in

a legal and logical structure; each identified by a six-digit code, and is supported by well-defined rules to achieve uniform classification. The system is used by more than 179 countries as a basis for their customs tariffs and for the collection of international trade statistics. After the six-digit code, countries are free to use further subheadings. An eight-digit system is used in the trade data of Eurostat. Most codes, however, end with two zeros, effectively using only six digits. In some countries even ten digits are occasionally used.

The main groups of fishery products are listed in Table 1.1 (based on 4 digit codes); Appendix 1 gives a further subdivision of these groups. Please note that once in a while mostly minor changes occur. For trading purposes, therefore, the code of each specific product should be checked in the latest version of the HS or the legislation of the import country. Among other things, the HS codes are used to determine import tariffs (see also section 9.2).

Table 1.1 HS code classification of fishery products

Code	Description
0301	Live fish ¹
0302	Fresh and chilled fish ²
0303	Frozen fish other than fillets ³
0304	Fish fillets and fish meat
0305	Smoked, dried, salted or in brine fish and fishmeal
0306	Crustaceans (whether in shell, or not, alive, fresh, chilled, frozen, dried, salted or in brine) ⁴
0307	Molluscs (whether in shell, or not, alive, fresh, chilled, frozen, dried, salted or in brine) ⁵
1504	Fish oil
1604	Prepared or preserved fish, caviar, and caviar substitutes prepared from fish eggs
1605	Prepared or preserved crustaceans, molluscs and other aquatic invertebrates

Source: European Commission 2005a

Notes:

2 This general category also includes ornamental fish, but these are excluded from this survey

3 Fresh means any fishery product, whether whole or prepared, including products packaged under vacuum or in a modified atmosphere, that have not undergone any treatment other than chilling to ensure preservation. Chilling means the process of cooling fishery products to a temperature approaching that of melting ice.

4 Frozen means any fishery product which has undergone a freezing process to reach a core temperature of -18°C or lower after temperature stabilisation.

5 Includes shrimps and prawns and other crustaceans such as crab and lobster

6 Includes cephalopods such as squid, cuttlefish and octopus and other molluscs such as oysters, mussels and clams.

The HS classification given in 1.2 differs from the product groups and products mentioned in 1.1 this puts limitations to in-depth interpretation of trade figures and of the possible relationships between import and export figures on the one hand and production and consumption figures on the other hand.

2 INTRODUCTION TO THE EU MARKET

The European Union (EU) is the current name for the former European Community. In May 2004 ten new countries joined the European Union, which consisted of 15 countries until that time. They are the Czech Republic, Cyprus, Estonia, Hungary, Slovakia, Latvia, Lithuania, Malta, Poland and Slovenia. Rumania and Bulgaria are expected to join the EU in 2007. Negotiations for membership with Turkey are expected to start in October 2005.

The EU-15 had a population of 382.7 million in 2004; the EU-25 456.9 million. The ten new members have thus added 74.2 million people to the EU population, a 20 percent increase. While Gross Domestic Product (GDP) amounted to 9,280 billion euro for the EU-15 in 2003, GDP for all 25 states combined was 10,130 billion euro. The new member states would thus have added 850 billion euro to the GDP in 2003, an increase of 9 percent. While population increased by 20 percent, GDP increased by only 9 percent with the accession, indicating the lower level of development of the new members' economies (Table 2.1). Of the new members, Poland has the largest population and GDP, followed by the Czech Republic and Hungary. The size of GDP largely follows the same pattern as population, although Lithuania, Slovenia, Cyprus and Malta have relatively larger economies.

Table 2.1 Population and GDP of selected and new EU countries, 2004

Countries	Population <i>Million</i>	Age 15-64 <i>(%)</i>	GDP per capita <i>(€)</i>
Selected EU countries			
Denmark	5.4	66.1	26,000
France	60.4	65.1	26,300
Germany	82.4	67.0	26,400
Italy	58.1	66.9	26,700
Spain	40.3	68.0	19,300
The Netherlands	16.3	67.8	28,500
UK	60.3	66.3	28,400
New EU countries			
Poland	38.6	70.0	5,100
Estonia	13.4	67.5	6,500
Czech Republic	10.2	70.9	8,500
Hungary	10.0	69.0	8,100
Slovakia	5.4	70.8	6,100
Lithuania	3.6	68.4	5,100
Latvia	2.3	69.2	4,700
Slovenia	2.0	70.6	13,000
Cyprus	0.8	67.4	16,900
Malta	0.4	68.5	11,100

Source: The World Factbook (2004) and Eurostat (2005a)

Within Western Europe, covering 15 EU member countries, Iceland, Liechtenstein, Norway and Switzerland, more than 20 million enterprises are active. Small and medium-sized enterprises (SMEs) accounted for the lion's share. In 2000, the average turnover per enterprise of SMEs and large enterprises amounted to € 600,000 and € 255 million respectively.

EU Harmonisation

The most important aspect of the process of unification (of the former EC countries), which affects trade, is the harmonisation of rules in the EU countries. As the unification allows free movement of capital, goods, services and people, the internal borders have been removed. Goods produced or imported into one member state can be moved around between the other member states without restrictions. A precondition for this free movement is uniformity in the rules and legislation concerning locally produced or imported products. Although the European Union is already a fact, not all legislation has yet been harmonised. Work is in progress in the fields of environmental pollution, health, safety, quality and education. For more information about harmonisation of legislation, visit AccessGuide, CBI's database on European non-tariff trade barriers at <http://www.cbi.nl/accessguide>

Monetary unit: Euro

On 1 January 1999, the euro became the legal currency within twelve EU member states: Austria, Belgium, Finland, France, Germany, Italy, Ireland, Luxembourg, the Netherlands, Spain, and Portugal. Greece became the 12th member state to adopt the Euro on January 1, 2001. In 2002 circulation of euro coins and banknotes replaced national currency in these countries. Denmark, United Kingdom and Sweden have decided not to participate in the Euro. In Table 2.2 the exchange rates of the EU currencies to the US dollar are given.

Table 2.2 Exchange rates of EU currencies in US\$, 1998-2004

Country	Currency	1999	2000	2001	2002	2003	2004	March 2005
EU	€	1.063	0.920	0.900	0.946	1.125	1.24	1.320
Denmark	Dkr	0.14	0.12	0.12	0.13	0.15	0.167	0.16
Sweden	Skr	0.12	0.10	0.10	0.10	0.12	0.136	0.13
UK	GB£	1.61	1.52	1.44	1.50	1.63	1.833	1.907
Poland	PLN	0.252	0.230	0.244	0.245	0.257	0.275	0.329
Estonia	EEK	0.068	0.059	0.057	0.060	0.072	0.079	0.084
Czech Republic	CZK	0.029	0.026	0.026	0.031	0.036	0.039	0.044
Hungary	HUF	0.004	0.004	0.003	0.004	0.004	0.005	0.005
Slovakia	SKK	0.024	0.024	0.021	0.022	0.027	0.031	0.035
Lithuania	LTL	0.250	0.250	0.250	0.732	0.328	0.360	0.382
Latvia	LVL	1.695	1.639	1.587	1.639	1.754	1.887	1.896
Slovenia	SIT	0.005	0.004	0.004	0.004	0.005	0.005	0.006
Cyprus	CYP	1.852	1.613	1.563	1.639	1.923	2.128	2.263
Malta	MTL	2.500	2.273	2.222	2.326	2.632	2.941	3.058

Source: CBS Statline 2005

Scope and focus of this survey

This market survey focuses on the seven major EU markets for fishery products. They are in alphabetical order: France, Germany, Italy, the Netherlands, Spain, the United Kingdom and Denmark. These EU member countries will be highlighted because of their relative importance in terms of consumption, imports and exports. Attention is paid as well to the countries that have recently acceded to the EU, although none of these rank among the major markets.

The most recent Eurostat trade statistics quoted in this survey are from the year 2003. In this market survey, the euro (symbol: €) is the basic currency unit used.

Trade figures quoted in this survey must be interpreted and used with caution. The collection of data regarding trade flows has become more difficult since the establishment of the single market on 1 January 1993. Until that date, trade was registered by means of compulsory customs procedures at border crossings, but, since

the removal of the intra-EU borders, this is no longer the case. Statistical bodies like Eurostat cannot now depend on the automatic generation of trade figures. In the case of intra-EU trade, statistical reporting is only compulsory for exporting and importing firms whose trade exceeds a certain annual value. The threshold varies considerably from country to country, but it is typically about € 100,000. As a consequence, although figures for trade between the EU and the rest of the world are accurately represented, trade within the EU is generally underestimated.

Furthermore, the information used in this market survey is obtained from a variety of different sources. Therefore, extreme care must be taken in the qualitative use and interpretation of quantitative data, both in the summary and throughout the text, as also in comparisons of different EU countries with regard to market approach, distribution structure, etc.

For more information on the EU market, please refer to the CBI's manual *Exporting to the European Union*.

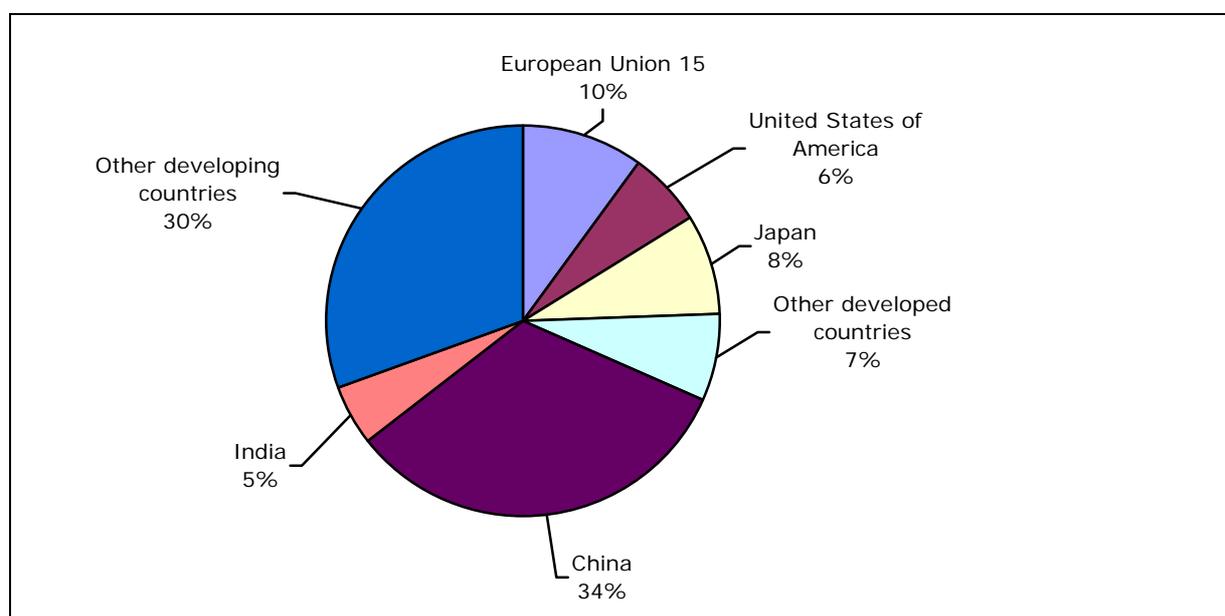
3 CONSUMPTION

3.1 Market size

3.1.1 EU market

With an annual supply² of 9,962 thousand tonnes in 2002, the European Union (15) constitutes the largest seafood market of the developed world, ahead of Japan and the US. Second only to seafood giant China, the EU consumed 10 percent of all fish supplied to the world's markets. China alone accounted for 34 percent of world seafood supplies (Figure 3.1).

Figure 3.1 Seafood supply in EU-15 and major consumer countries, 2002, tonnes of live weight equivalent

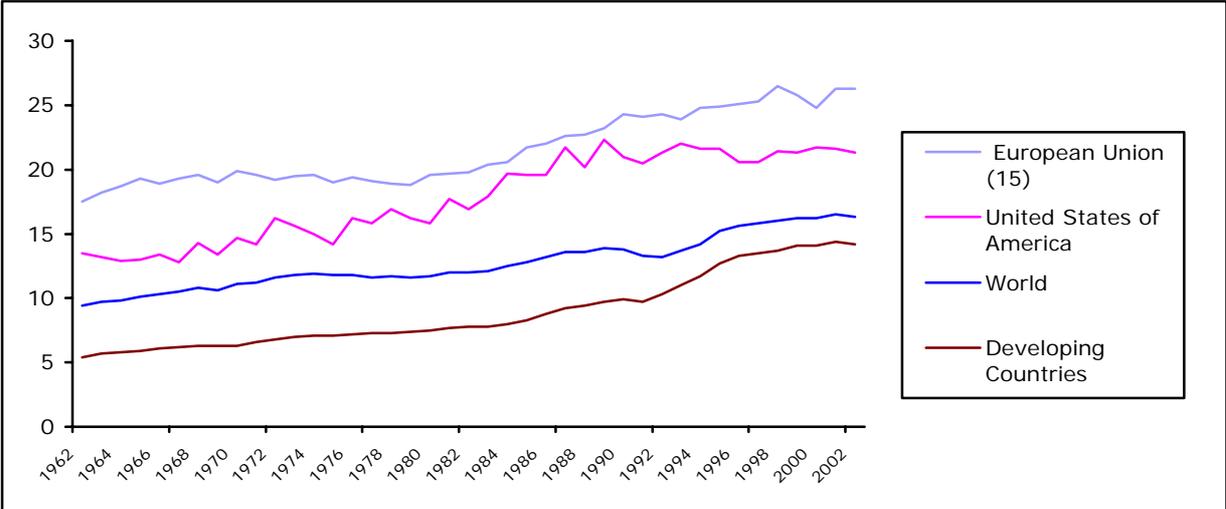


Source: FAOSTAT 2005

Per caput consumption of seafood in the EU-15 is very high as well: 26.3 kg in 2002 (in live weight equivalent). This is 10 kg more than the world average (of 16.3 kg per head) and also clearly above the US consumption of 21.3 kg. Among the major consuming countries, only Japan consumes more seafood per head: 66.3 kg. Developing countries on average have very low consumption levels of seafood, with China the most notable exception at 25.6 kg per head. Per caput world seafood consumption has shown a steady increase over the past 4 decades, from 9.1 to 16.3 kg (+79 percent). The European Union has witnessed a similar trend with an increase of 51 percent in 40 years, from 17.4 kg per head to 26.3 (Figure 3.2 and FAOSTAT 2005).

² Food supply is the amount of food available for human (physical) consumption. In a formula: Food Supply = Production + Imports - Exports - Changes in Stock - Use as Feed - Industrial Use - Waste. Food supply is directly related not only to physical consumption, but also to economic consumption (sales). For this reason, seafood "supply" is used here interchangeably with "consumption".

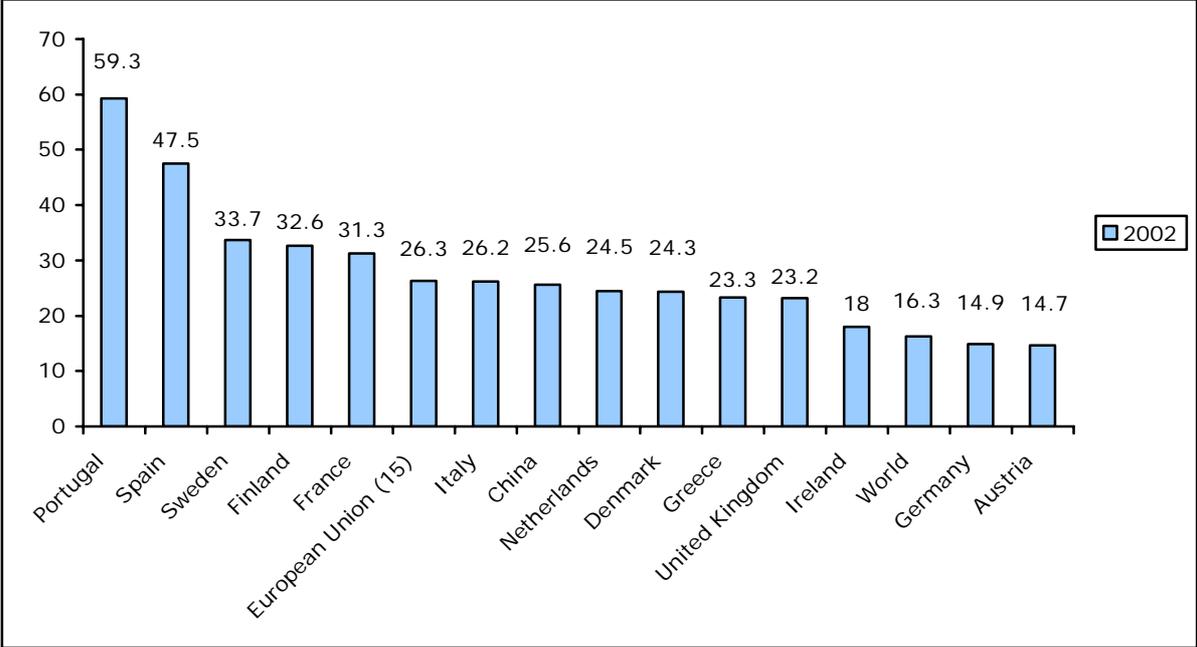
Figure 3.2 Per caput supply of seafood in EU-15 and other categories, 1962-2002, kg of live weight equivalent



Source: FAOSTAT 2005

The consumption of seafood differs widely among the EU countries. In general, the Mediterranean and Scandinavian countries are the major seafood consumers. Spain and especially Portugal have a high consumption of seafood per caput (Figure 3.3). Spain is one of the largest countries in terms of population and is therefore an important market for fishery products. The French seafood consumption is also above the EU average, making France another important market next to Spain. Germany and Austria close the ranks with a consumption of 14.9 and 14.7 kg per head. Apparently, the Central European countries have a lesser tradition of eating seafood.

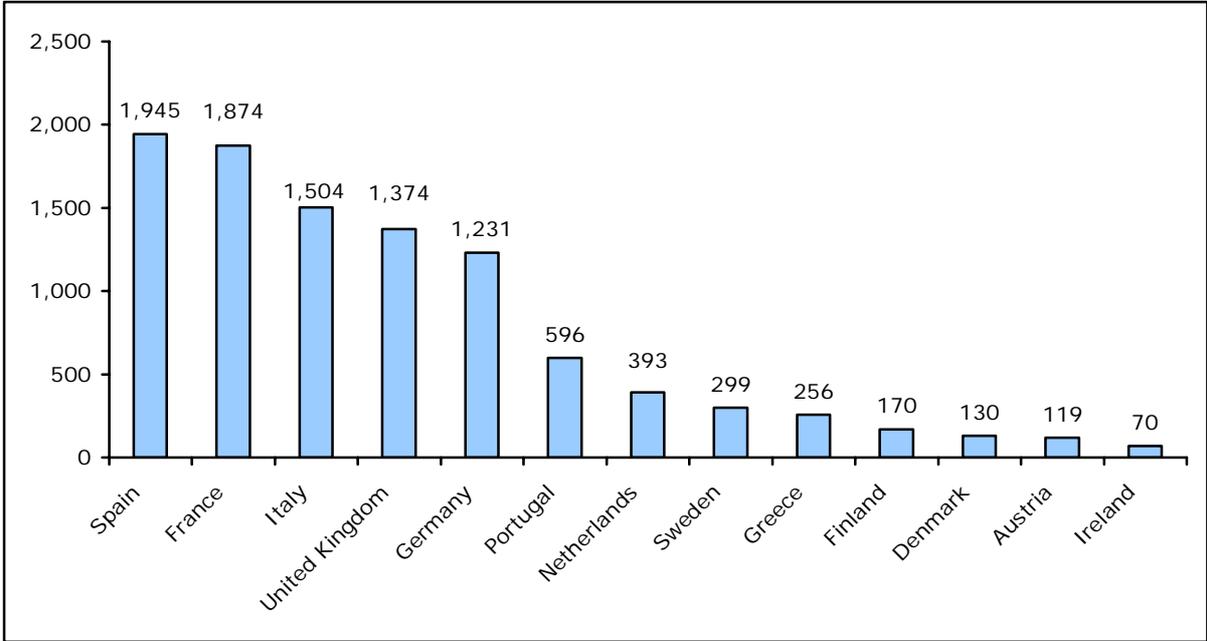
Figure 3.3 Seafood consumption in EU-countries and world total, 2002, in kg per caput



Source: FAOSTAT 2005

Naturally, the different per caput levels translate in different volume sales. Spain and France have the largest seafood markets within the EU, followed at some distance by Italy, the United Kingdom and Germany. Because of its high per caput consumption, Portugal is the sixth volume consumer, followed by the Netherlands (Figure 3.4).

Figure 3.4 Seafood supply in EU-countries, 2002, 1,000 tonnes of live weight equivalent

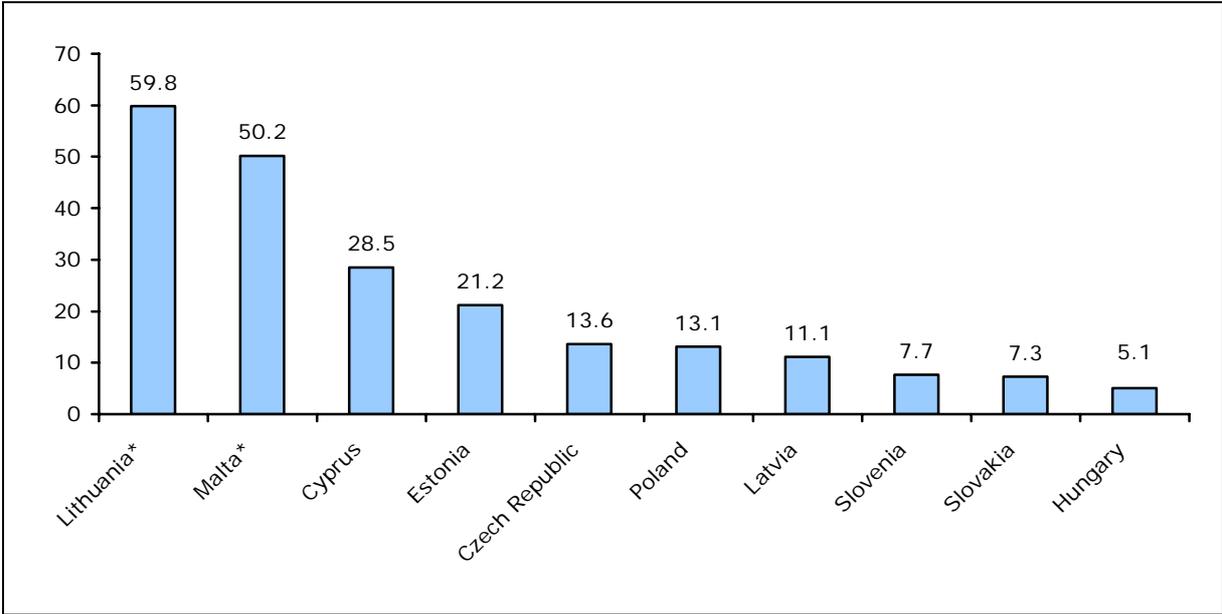


Source: FAOSTAT 2005

New European Union members

Seafood consumption in the new EU countries roughly displays the same geographic pattern as in the EU-15. The Mediterranean islands of Malta and Cyprus have high consumption levels similar to their neighbours (e.g. Italy and Greece). The Baltic States differ in consumption per caput. Lithuania takes the lead with 59.8 kg per caput; Estonia has a consumption below the EU-15 average but still above 20 kg per caput, while Latvia ranks among the countries with the least consumption on seafood. The eastern European countries all have very low levels of consumption, with the landlocked countries closing the ranks. Per caput levels of Poland and the Czech Republic are not far below the levels of neighbouring Germany and Austria (Figure 3.6).

Figure 3.6 Per caput seafood supply in new EU-countries, 2002, kg of live weight equivalent

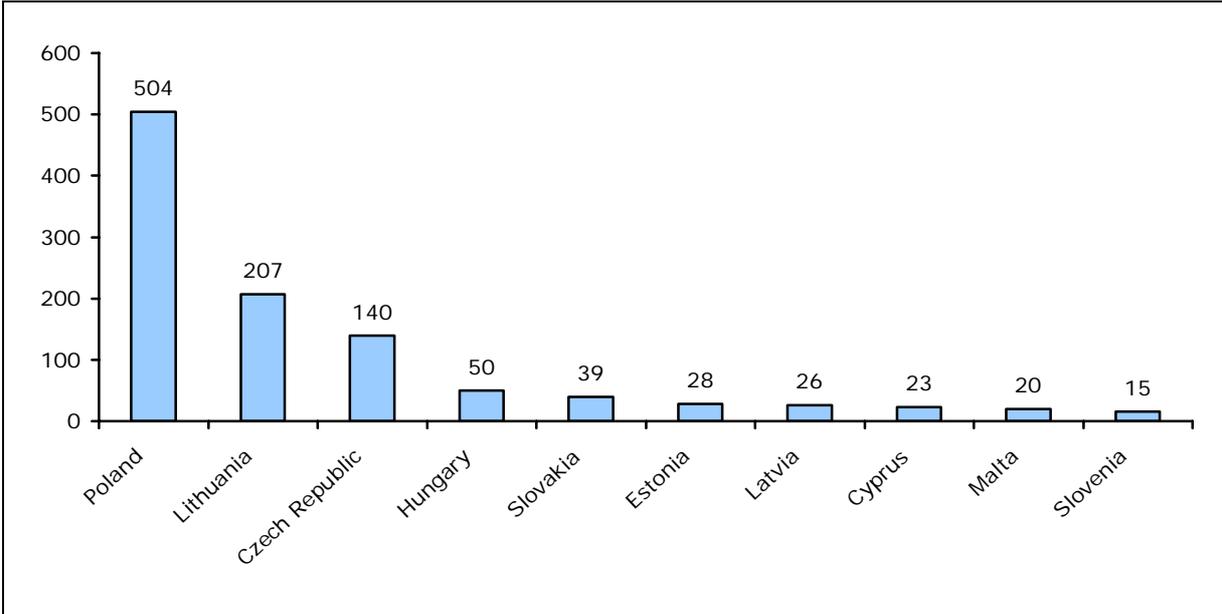


Source: FAOSTAT 2005

* These data show a leap in consumption level from the year 2000 to 2001 of more than 12 kg per caput; they should be used with caution.

In absolute numbers Poland has the largest seafood market of the new member countries, followed at considerable distance by Lithuania and the Czech Republic (Figure 3.7). Compared to the other EU member countries, the Polish market would occupy the seventh position, between Portugal and the Netherlands. The other countries' markets are relatively small.

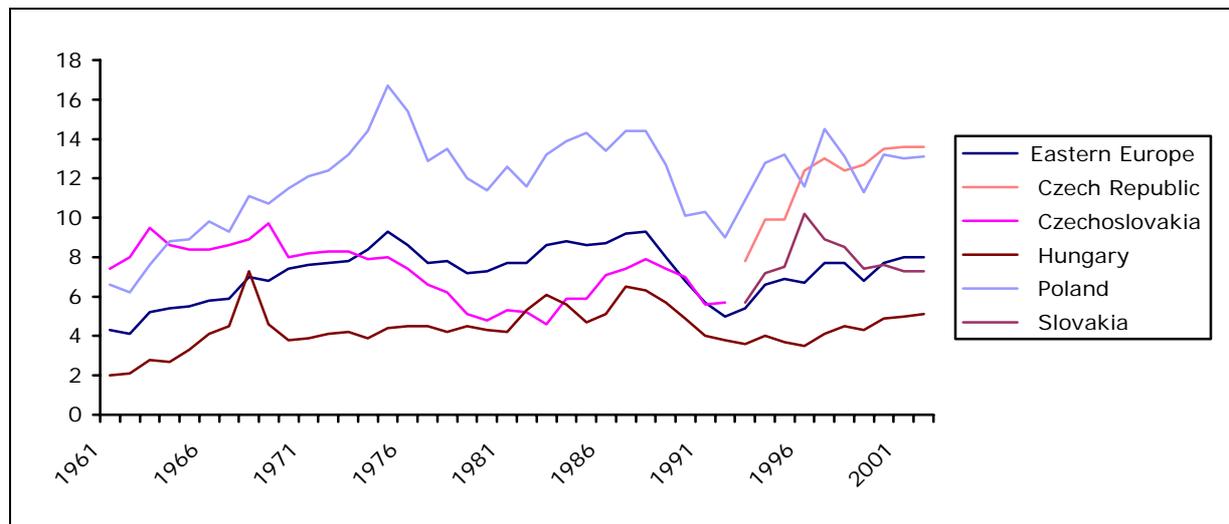
Figure 3.7 Seafood supply in new EU countries, 2002, 1,000 tonnes of live weight equivalent



Source: FAOSTAT 2005

While western European countries have generally seen a gradual increase in per caput consumption over at least 2 decades, Poland and other eastern European countries experienced a strong decline after the abrupt change to a market economy from 1989 onwards (Figure 3.8). Although consumption levels have recovered strongly since 1993, they are still below the levels of the seventies and eighties.

Figure 3.8 Per caput seafood supply in Eastern Europe, Czech Republic, Czechoslovakia, Slovakia, Hungary and Poland, 1961-2002, kg of live weight equivalent



Source: FAOSTAT 2005

In addition to an increasing consumption volume, expert sources also expect a shift to more luxury products. As the purchasing power in these countries increases, the balance is expected to shift to luxury products such as filleted fish.

3.1.2 Denmark

The Danish consumption level of 24.3 kg per head is slightly below the European average. The volume of consumption is estimated at 123 thousand tonnes in live weight equivalent in 2002. The production of seafood in Denmark is more than 12 times as high, amounting to 1031 thousand tons live weight in 2003 (Faostat 2005), which makes Denmark the largest producer of fishery products in Europe. But most of this volume is used in the fish meal industry, not as food. A further 863 thousand tonnes is imported. With such huge production and relatively small consumption, the Danish fish industry has a strong orientation to exports. Domestic catch and imports are used as a basis for adding value. Fish exports amounted to 1114 thousand tons in 2003.

There is little information about the Danish consumer market publicly available. The Danes are attributed with a conservative taste in fish and shellfish. They are also reported to be particularly price-conscious in buying fish, and distribution channels are limited. In 1997, approximately 50 percent of fish consumption was lunch products such as canned mackerel and herring. For the remainder cod, salmon and flatfish were the most popular species, especially in filleted form and purchased either chilled or frozen. An increasing number of Danes, however, was buying especially frozen fish products for preparation in ovens, micro-wave ovens or for deep-frying (USDA/FAS 1997). Like the English and the Dutch, many Danes think that preparation of fish is difficult and time consuming. As a result, fish is mainly consumed when dining out. This is a major constraint for market growth.

Shellfish products are becoming increasingly popular among Danish consumers, especially when consumed out of home. Traditionally, the Danes consume vast quantities of shrimps in the summer, of which a substantial part is supplied by Greenland and Iceland. Other products such as frozen cuttlefish have also become popular. In 1997, less than 2 percent of the import quantity consisted of exotic fish species and less than 1 percent of manufactured products such as soups, cubes of fish bouillon or fast food products, frozen, in glasses or cans (USDA/FAS 1997).

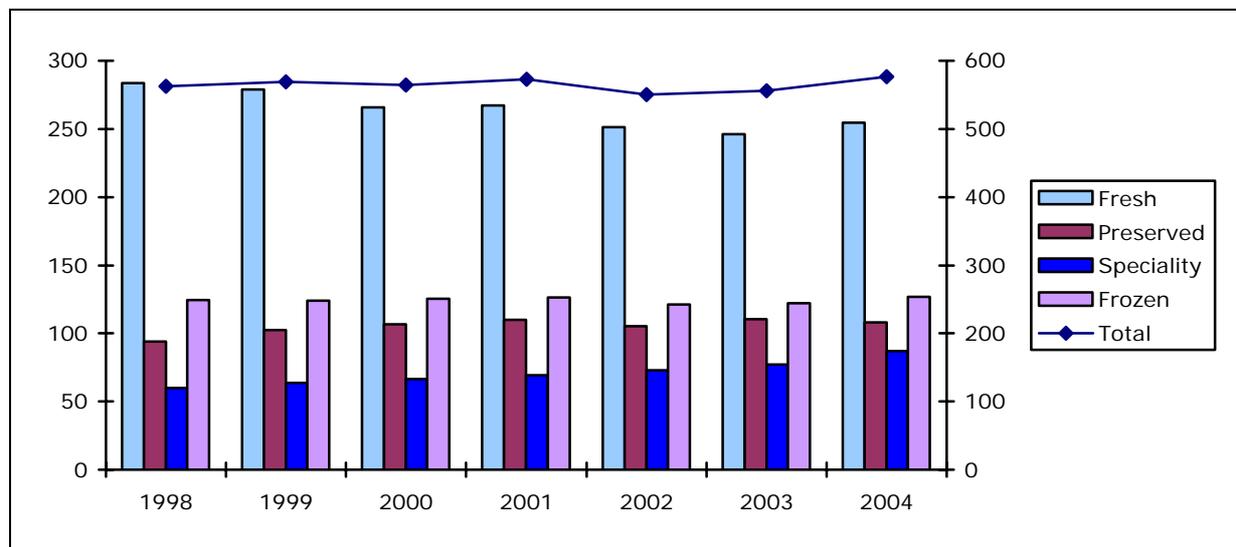
Similar to the situation in the Netherlands, distribution of fish used to be surprisingly limited in Denmark. Many towns lacked a fishmonger or other points of sale for fresh fish. Only recently, supermarkets have adopted ranges of fishery products, including fresh fish and shellfish, allowing many more people to purchase these products. In a way, this low level of market development may provide an opportunity for growth.

3.1.3 France

Seafood is very popular in France and France has the largest consumer market of seafood in Europe in terms of value. More than 90 percent of French households consume seafood products (Ofimer 2005). France is an interesting export market since domestic production falls far short of consumption.

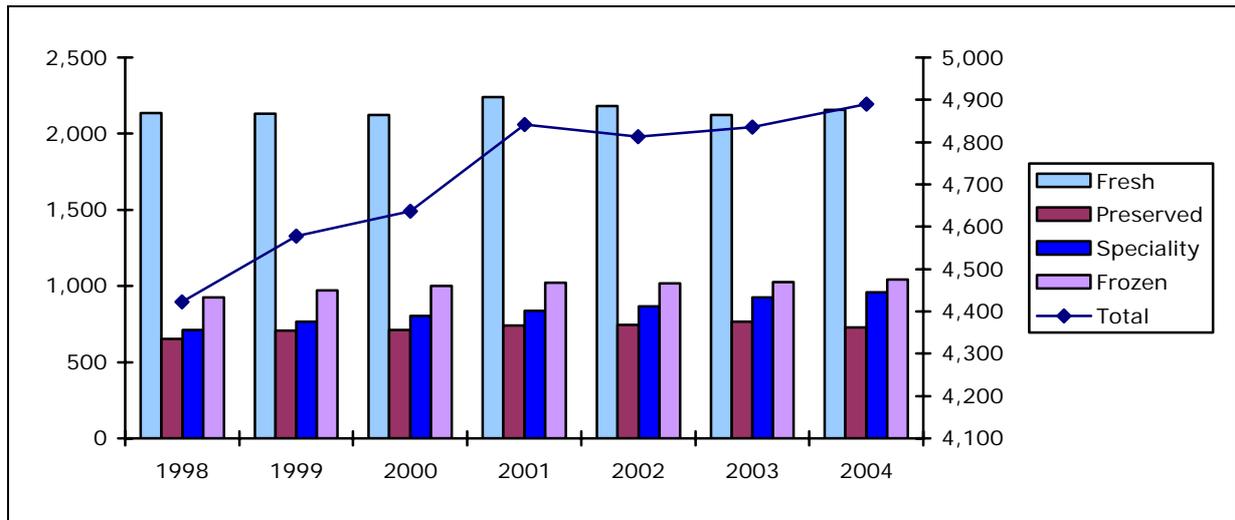
In 2004, the household consumption of fishery products was 577 thousand tonnes (product weight) at a value of 4.89 billion euros. Household consumption increased by 3.7 percent in 2004 in terms of volume. The value increased by 1.1 percent. Looking at the five-year trend, the household market increases a little both in volume (+2 percent) and value (+5 percent) (Figures 3.9a and 3.9b). When looking at the separate product groups, the volume of fresh fish is declining while all other groups are growing. Especially the group of speciality products (*traiteur*) has shown a strong increase over the last 5 years: of 30 percent. Speciality products include smoked, salted, and dried fish, as well as surimi and fish spreads.

Figure 3.9a French seafood consumption, 1998–2004, in 1,000 tonnes



Source: Ofimer 2004 and 2005

Figure 3.9b French seafood consumption, 1998–2004, in 1,000 €



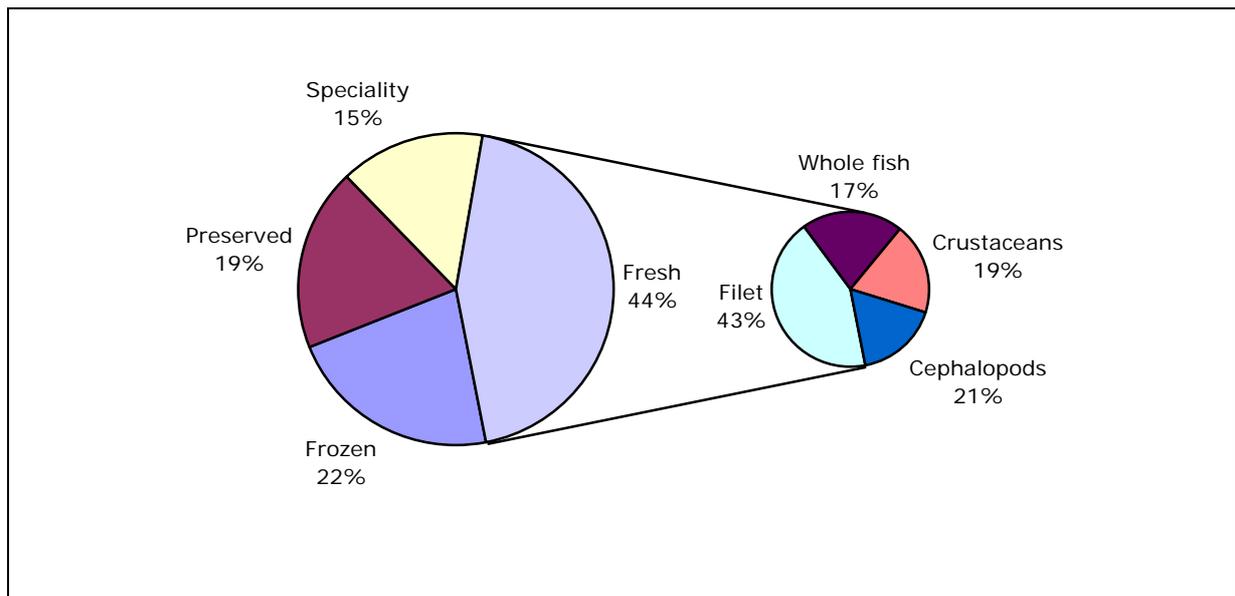
Source: Ofimer 2004 and 2005

In 2003, the out-of-home consumption of seafood products in France was around 210 tonnes. Statistics on out-of-home consumption for the year 2004 are not available. An estimation of the total market for seafood products in France is at least 787 tons.

Fish is the most important group of seafood products consumed at home. Within the group of fresh fish, the fillets are most popular, followed at some distance by cephalopods, crustaceans and the smallest share is whole fish.

French household consumption of seafood is dominated by fresh fish with 44 percent. Frozen products account for a substantial share of the market as well: 22 percent. Within the category of fresh fish, fillets are most popular (Figure 3.10). Their share has been increasing.

Figure 3.10 Seafood consumption in France by product category, 2004, shares of volume by product weight

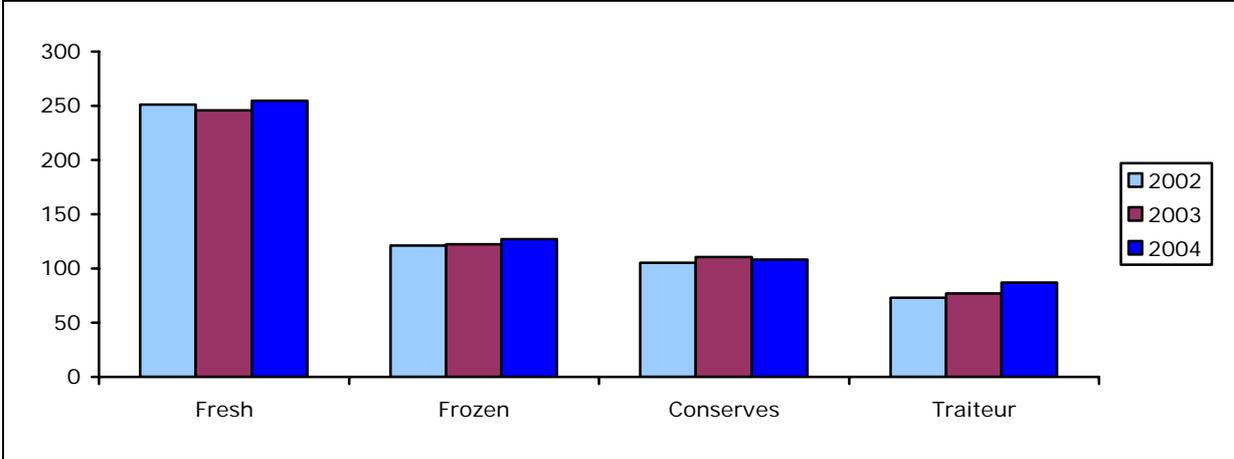


Note: speciality products include smoked fish

Source: Ofimer 2005

The share of fresh fish has decreased over the last 5 years from 46 percent of the total to 44 percent. The share of frozen products decreased by one percent to 21 percent of the total fish market. The share of conserves has remained stable at 15 percent (Figure 3.11).

Figure 3.11 French seafood market by category, fresh and frozen, 2002–2004, 1,000 tonnes (product weight)

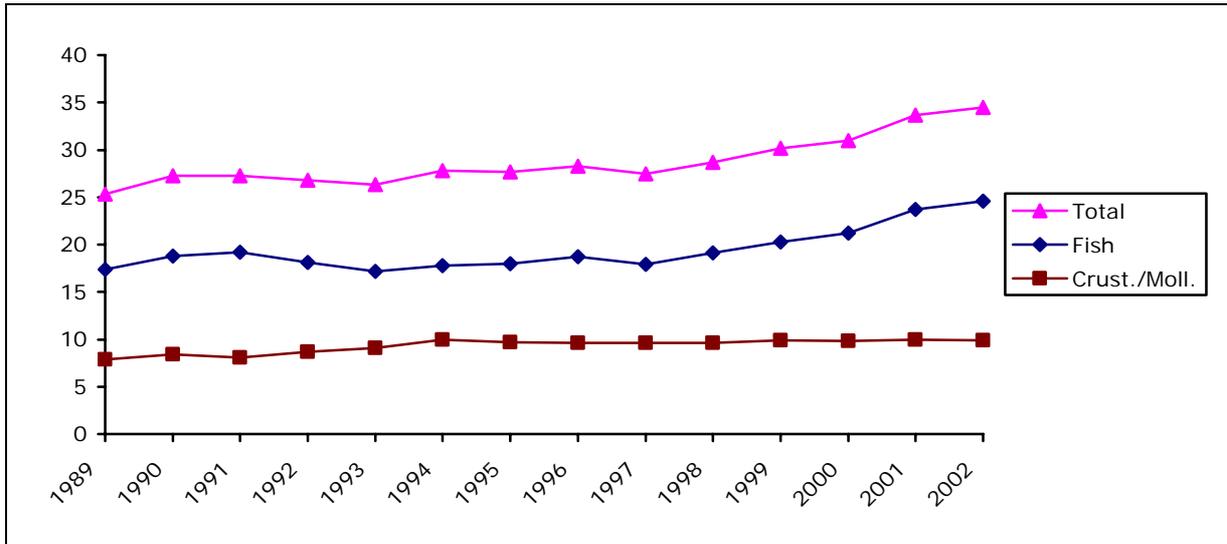


Source: Ofimer 2004 and 2005

Traiteur products have shown a considerable increase in market share from 12 to 15 percent. Within the category of fresh fishery products their volume increased by 30 percent from 1998 to 2003 in terms of value and 29 percent in terms of volume. If the smoked products are excluded, the increase is even more remarkable, 55 percent in terms of value and 57 percent in volume. One of the products to which the increase can be attributed is surimi. France is the major consumer of surimi in Europe. The value sales of surimi increased by 64 percent from 1998 to 2003, making it the second most popular traiteur product in France. Smoked fish is still the most popular traiteur product but it is declining slightly. Another remarkable trend is the increased sale of entrée products (hors d'oeuvres) and small dishes of fishery products. Their value sales have increased by 63 percent making it the third most popular traiteur product at this moment (Ofimer, 2004 and 2005).

The increased consumption of seafood products is mainly caused by an increased popularity of fish. The consumption of crustaceans and molluscs increased less (Figure 3.12). Within this product group the share of crustaceans are increasing while cephalopods are declining. The consumption of cephalopods and crustaceans in France is relatively high compared to other European countries.

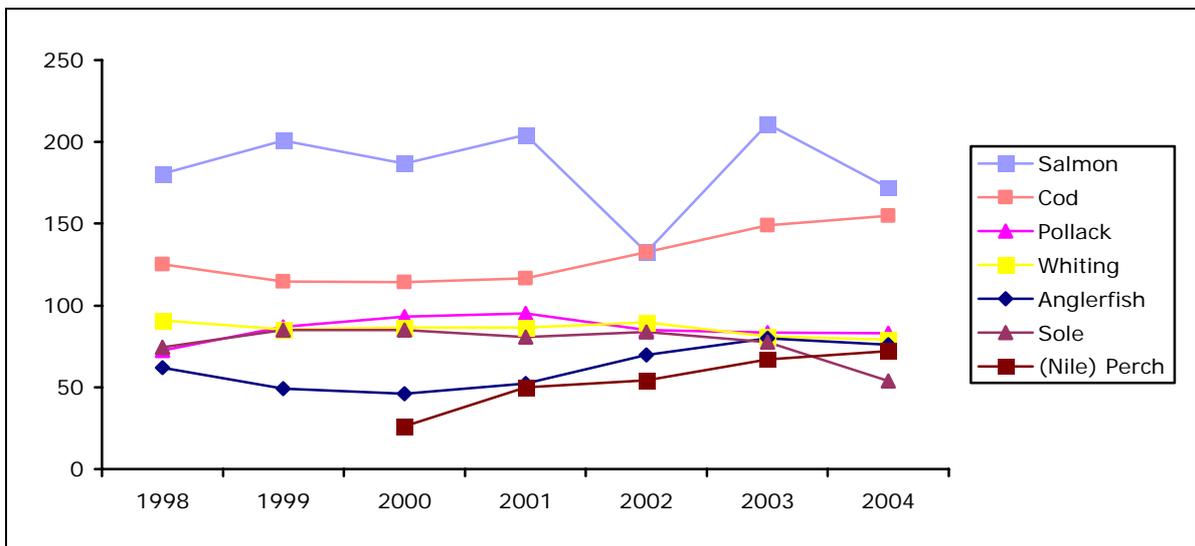
Figure 3.12 Trend in consumption levels of seafood products, 1989–2002, kg per caput



Source: Ofimer 2004 and 2005

The French fish consumption is characterised by a mixture of North European coldwater species and Mediterranean species. Popular species are salmon, cod, pollack, whiting, anglerfish and sole. Over the last years a variety of new species which are partly from tropical areas, have made their entrance on the French market. Particularly Nile perch is a rising star. In 2004 household consumption of Nile perch was 8453 thousands of tons, making it the sixth most popular fresh fish in France (Figure 3.13 and Table 3.1).

Figure 3.13 French household consumption of fresh fish, 1998-2004, million euros



Source: Ofimer 2004 and 2005

Table 3.1 Most popular seafood species in France, according to product group

Ranking	Fish	Crustaceans	Cephalopods
1	Salmon	Shrimps (pink)	Oysters
2	Cod	Prawns	Mussels
3	Pollack	Shrimps (grey)	Scallop
4	Whiting	Crab	Cuttlefish
5	Anglerfish	Langouste	Calamari
6	Sole	Lobster	Octopus
7	Perch	Crayfish	
8	Trout		
9	Tuna		
10	Sea bass		

Source: Ofimer 2004

France is the leading European consumer and importer of salmon. The success of salmon in the French market is principally due to the increased supplies and lower prices associated with ample supply of farmed salmon from Norway, Scotland and Ireland. In addition, salmon products sold on the French market are numerous, including various cuts (whole, steaks, fillets), and forms of processing (fresh, frozen, smoked, marinated). In the French market, salmon products are in direct competition with groundfish fillets and with red meat and poultry cuts. France is also one of the major markets for shrimp, tuna (canned or fresh) and molluscs.

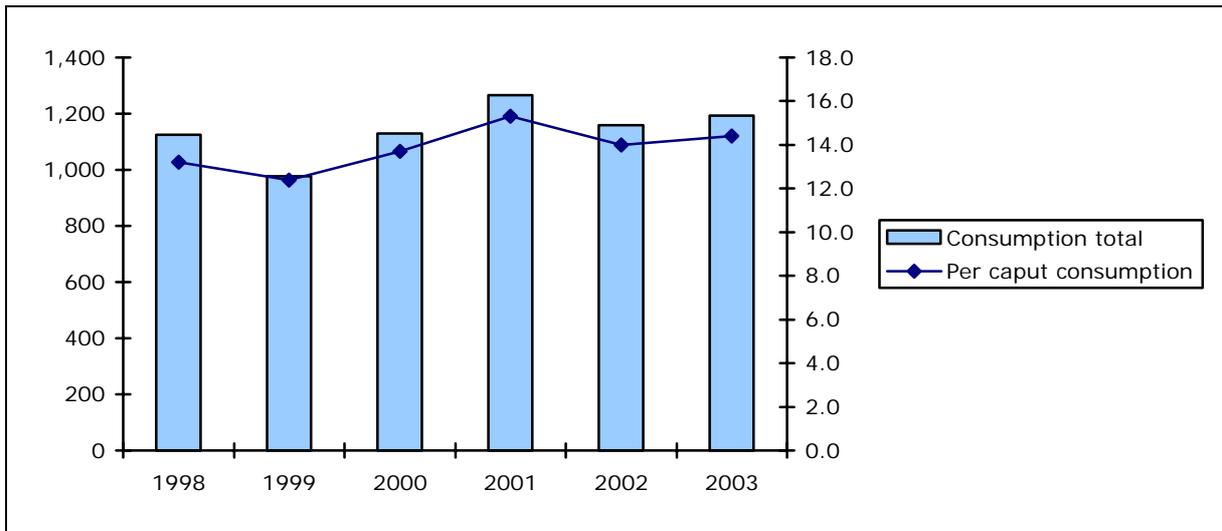
The website of the French seafood association Office National Interprofessionnel des Produits de la Mer et de l'Aquaculture, in short Ofimer (<http://www.ofimer.fr/>) presents detailed and up-to-date information on the French seafood market. The information is available only in French.

3.1.4 Germany

The consumption of fishery products per head was 14.4 kg in Germany in 2003, which is one of the lowest levels in Europe. Due to its population size, Germany is the fifth seafood market in the EU in volume. The total volume of the fish production is about 309 thousand tons (live weight) in 2003, while consumption is 1195 thousand tons (live weight) making Germany one of the biggest net-importer of fishery products in Europe (Fisch Informationszentrum 2005).

In 2001, consumption had reached 15.3 kg per head after two years of rapid growth attributed to the BSE-scare, but this growth was not sustained in the following years (Figure 3.14). Nevertheless, consumption increased somewhat in 2003. More than the average European consumer, the Germans are interested in organic food and concerned about the environment. Currently, the supply of organic fishery products is very small to non-existent. This offers an opportunity for organically farmed fish to be supplied to the German market. Emphasizing the health benefits of eating fishery products is another opportunity to boost the consumption of fish since Germans are concerned about their health (Mintel 2004a).

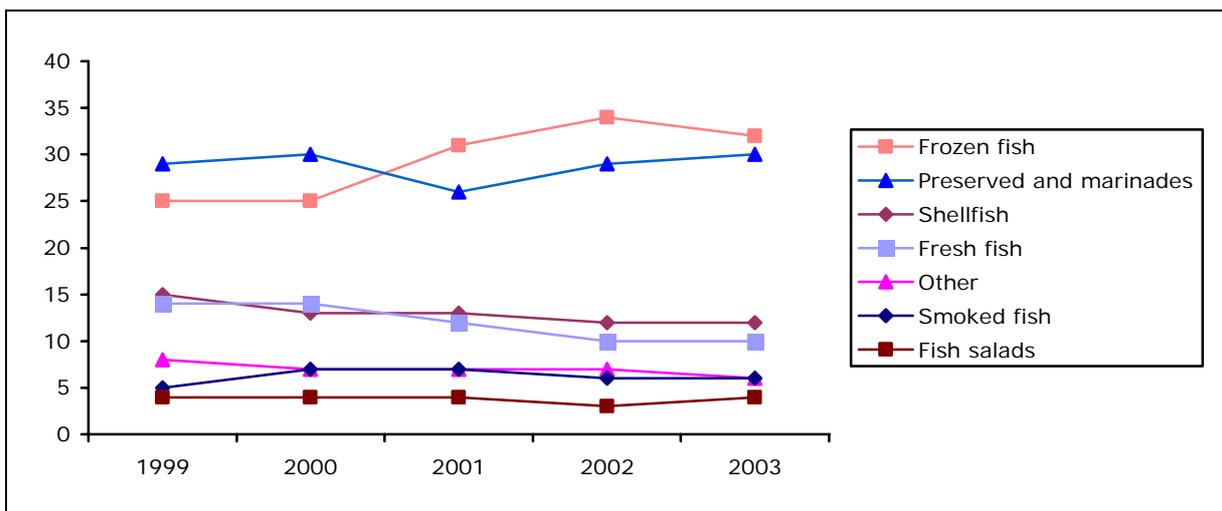
Figure 3.14 Seafood supply in Germany, 1998–2003, live weight equivalent



Source: Fisch Informationszentrum 2005

Frozen and canned or preserved products dominate the German market. On a product-weight basis, preserved holds 32 percent of the market in 2003; frozen 30 percent. Preserved products are the only product group showing an increase in market share in 3 consecutive years. Fresh fish commanded only 10 percent of the total consumption market, down from 14 percent in 1999 (Figure 3.15). Shellfish (fresh, frozen and prepared) amounted to 12 percent of the market compared to 13 percent in 2001. Smoked fish decreased slightly from 7 to 6 percent since 2001, as well as prepared fish products. As these figures indicate, convenience products play an increasingly important role in the fish market. Unprocessed seafood products are not popular with German consumers.

Figure 3.15 Consumer preferences for different product forms in Germany, 1997–2003, by volume (product weight basis)

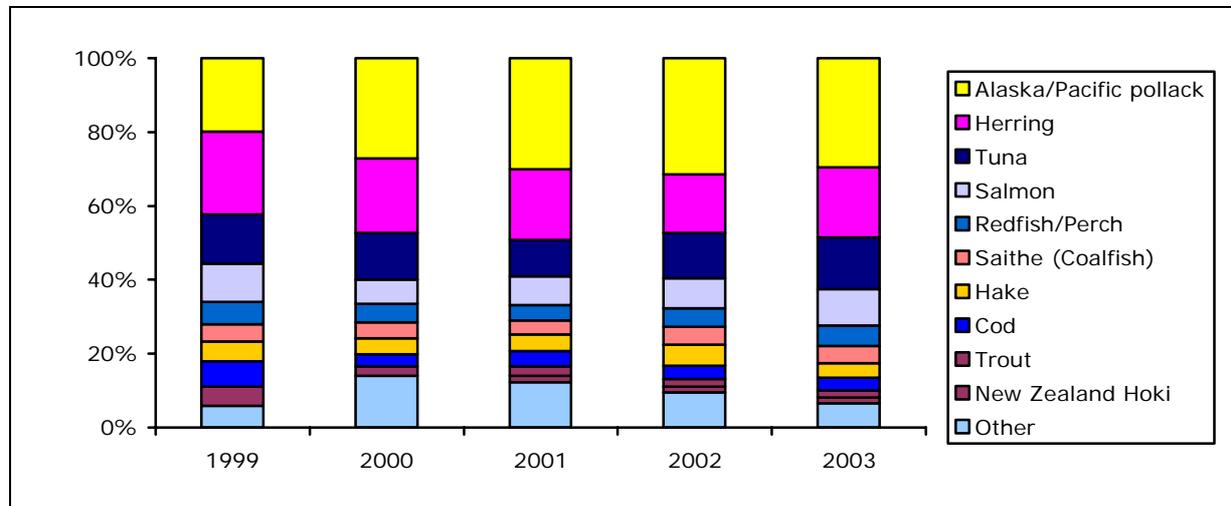


Source: Fisch Informationszentrum and USDA/FAS 2004a

Four species account for two thirds of the market: pollack, herring, tuna and salmon. Pollack alone holds 30 percent of the market which is more or less a stable percentage over the last 3 years. Herring is also stable at around 19 percent. Both tuna and salmon are slowly increasing. Among the other species, especially cod, trout and

mackerel have lost some of their market share (Figure 3.16). The German preference for coldwater fish species is typical for northern European countries.

Figure 3.16 Consumer preferences for fish species in Germany, 1999–2003, by volume (live weight equivalent)



Source: Fisch Informationszentrum 2005 and USDA/FAS 2004a

When comparing attitudes of different consumer groups, fish enjoys the highest popularity among people who favour gourmet-type cooking, followed by those who like traditional cooking, and then by people who highly value health and environment. Fish is less popular with consumers that frequently eat convenience or fast food. 40 percent of fish buyers are over 60 years of age, while this age group only accounts for 30 percent of the total population.

3.1.5 Italy

Italy has many fishing resources. With 8000 km of shoreline many Italians live near the sea. Several large lakes in the north provide another source of fish. However, this has not led to the extreme consumption levels of Portugal and Spain. Seafood is a common ingredient of Italian dishes and consumption per caput was 26.2 kg per head in 2002. Italy has a fairly mature fish market with a market penetration over 75 percent. The Italian kitchen generally favours natural, fresh and regionally sourced products. This is also reflected in the retail purchases where the majority (>90 percent) of the fresh fishery products are unprocessed (Mintel 2004b). On the other hand, general food trends such as the demand for more convenience in preparation are present as well. Fish consumption also shows regional patterns, with consumers around the northern lakes preferring perch, trout and sea bass, while consumers along the coast mostly use a great variety of saltwater species. Along the coast, Italians prefer to eat their fish grilled, while in inland areas Italians prefer fried or boiled fish. Fish consumption in the South is higher than in the North. A large part of fish consumption is out-of-home (Mintel 2004b).

In 2002, Italian fish consumption declined in volume (-10 percent) and value (-4 percent). This was caused by increased prices of seafood products. 2002 was the second year of declining sales volume, after increases in 1999 and 2000. In 2003, the consumer market for fish products recovered some of its loss. The volume increased by 1 percent and the value by 3 percent, resulting in a volume of 410 thousand tons at a value of 3612 million euro (Table 3.2). This was a much better performance than that of the general food market: Italian household consumption of food shrank by 0.7

percent in value (to 43.9 billion euro), while prices increased by 3.6 percent. Italians purchased higher-priced food products instead of larger quantities.

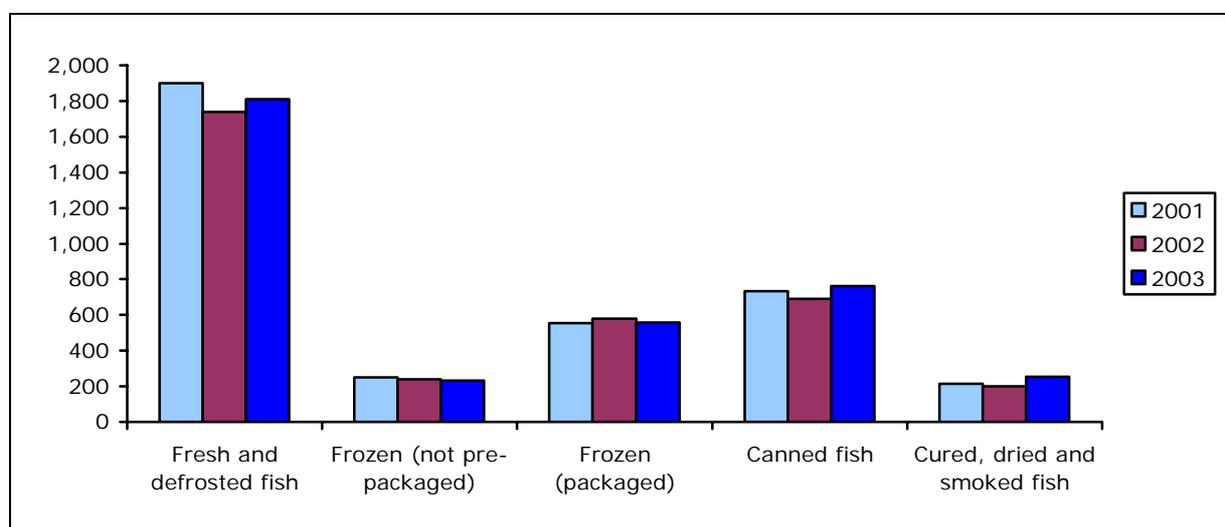
Table 3.2 Italian household consumption of fishery products, 2000-2002, volume (product weight) and value (million €)

Category	Volume (tonnes)			Value (million €)		
	2001	2002	2003	2001	2002	2003
Fresh and defrosted fish	247,065	210,952	215,598	1,899	1,738	1,809
Frozen (not pre-packaged)	39,758	35,514	34,078	251	239	231
Frozen (packaged)	58,133	57,613	56,129	553	580	557
Canned fish	88,227	82,558	86,398	732	691	761
Cured, dried and smoked fish	18,072	16,201	18,182	214	201	254
Other		2,789			70	
Total fishery products	451,255	405,632	410,378	3,649	3,519	3,612

Source: USDA/FAS 2003a and USDA/FAS 2004b

Like in France and Spain, but unlike in for example in Germany, Italian consumers have a strong preference for fresh fish, which is often bought whole. Fresh and defrosted fish accounts for 50 percent of the total household consumption in terms of value (Figure 3.17). Frozen and canned fish are the next major categories with a percentage of about 22 percent, and cured, dried and smoked fish taking the remaining volume of 6 percent. Within the frozen fish category Italians distinguish packaged and unpackaged fishery products, the latter being sold by weight in supermarkets. Fresh fish, canned fish and cured, dried and smoked fish have increased from 2002 to 2003. Cured, dried and smoked fish has shown to largest growth by 26 percent.

Figure 3.17 Italian household consumption of seafood, 2001–2003, in 1,000 €



Source: USDA/FAS 2003a and USDA/FAS 2004b

Among fresh products, saltwater fish are most popular with 54 percent of the consumer market, followed by molluscs (25 percent) and freshwater fish (13 percent). The remaining part consists of crustaceans, breaded and prepared products. Increased consumption in terms of volume were recorded for scampi (+42 percent), clams (+35 percent), squid (+22 percent), trout (+10 percent) and salmon (+7 percent). Some of the fish species that lost market share are cod, mackerel and mullet (USDA/FAS 2004b).

Italian preferences are notable in the following categories: salted fish, smoked salmon, and several varieties of squid and octopus (cephalopods). There is also a substantial demand for bivalves, especially mussels and clams. At the same time, there has been a significant increase in imports of shrimps, prawns and lobsters the last years.

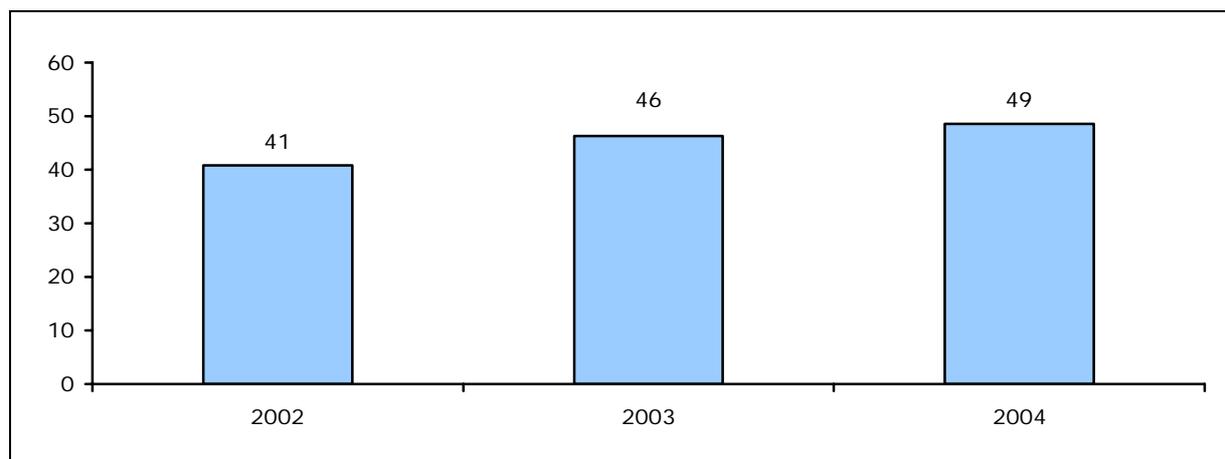
Commercial catering sales (to restaurants and hotels) amounted to a volume of 175 thousand tonnes (product weight) in 2003. Figures for institutional catering are not available. Commercial catering primarily requires fresh and frozen natural fish products, while canned, prepared and smoked fish products have smaller shares. Molluscs are most popular (13 percent of volume) followed by clams (13 percent) and squid (5 percent) (USDA/FAS 2004b).

3.1.6 The Netherlands

Dutch household consumption of fishery products increased by 5 percent in 2004, reaching a level of almost 49 thousand tons, which is consistent with the long term increasing trend. Also the volume sales have increased by 3 percent (Figure 3.18).

Per caput consumption 24.5 kg (FAOSTAT 2005) is just below the EU-15 average of 26.3 kg (Figure 3.3). One of the market constraints is a lack of familiarity with preparing and eating fish dishes. Another constraint is the higher price of fish compared to meat.

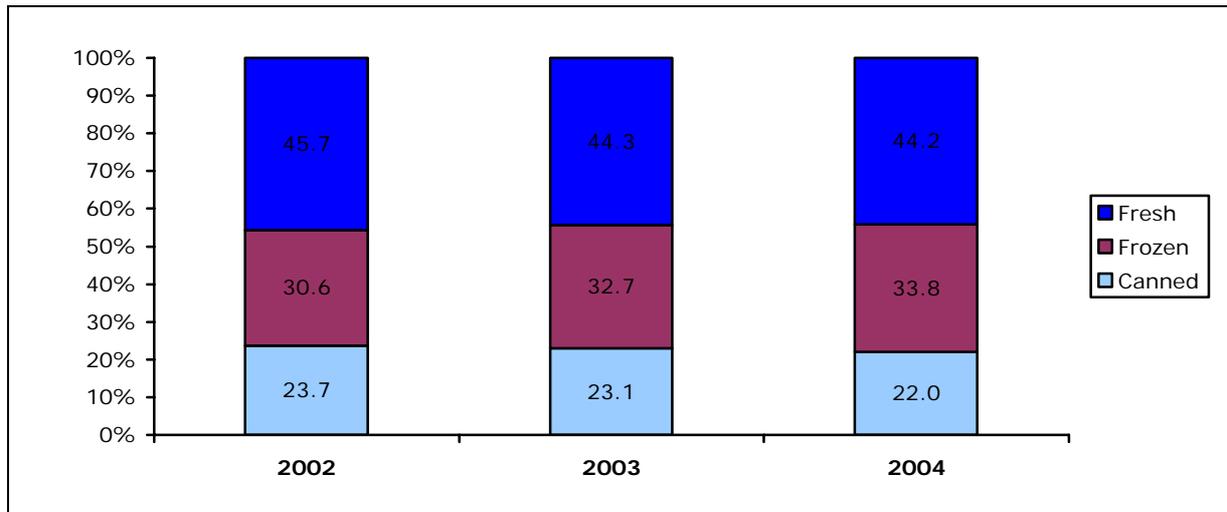
Figure 3.18 Dutch household consumption of seafood, 2002–2004, volume of product weight, in 1,000 tonnes



Source: Dutch Fish Marketing Board 2005a

Dutch consumers prefer fresh fish above frozen or canned. In 2004, fresh fish holds a volume share of 44 percent to the total household consumption, frozen products 34 percent and canned products 22 percent (Figure 3.19). The percentage of the Dutch households buying fresh fish products (penetration) reached 66 percent showing a slight decline compared to 2003. In the longer term an increase of fresh fish sales is expected, partly because pre-packed fresh fish products are more often offered in supermarkets. Within the fresh fish category 73 percent of volume is fish, against 27 percent of shellfish. Shrimps and mussels are popular shellfish products. Smoked fish products are on the increase, from 16 percent of fresh volume in 2002 to 18 percent in 2001 (Dutch Fish Marketing Board 2005a).

Figure 3.19 Consumer preferences for types of seafood in the Netherlands, 2001–2003, volume percentage



Source: Dutch Fish Marketing Board 2005a

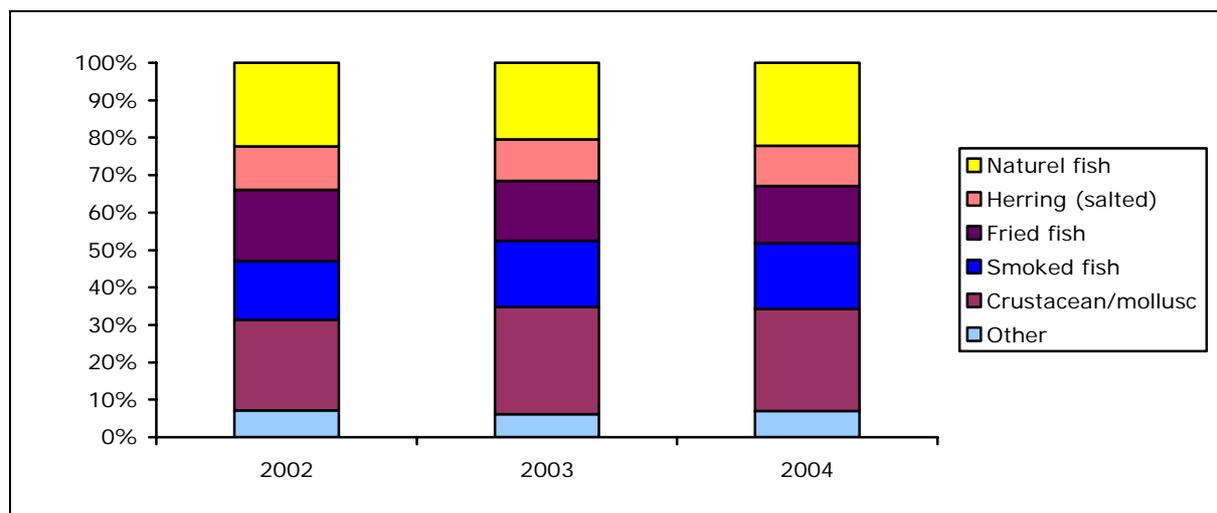
In a medium-term perspective, household expenditure on fishery products has increased by approximately 50 percent since 1995. Like in e.g. France, salmon has been one of the main drivers of this growth. Sales of smoked salmon grew by 217 percent between 1995 and 2004, making salmon the most popular smoked fish in 2004, followed by mackerel (30.7 percent) and eel (14.4 percent). Sales of fresh salmon increased from 8.1 percent of total fresh fish in 1995 to 27.2 percent in 2004, making it the most popular species of the fresh-fish category as well (excluding herring). Unlike fresh and smoked salmon, the consumption of canned salmon has been stable over the past few years (Dutch Marketing Board 2005). In an effort to build on the demand for convenience, the packaging (canning) industry is now developing pouch packing of salmon. In the tuna industry this development is already occurring.

Within the fresh fish category, the group of natural fresh fish increased by 2 percent in volume in 2004 compared to 2003. The major fish species consumed in this group are salmon, cod, plaice, trout and salmon trout, pollack and other whitefish, sole, mackerel and tilapia (Dutch Marketing Board 2005). The volume share of fried fish has decreased from 19 percent in 2002 to 15 percent in 2004.

North-Sea species such as plaice and sole (flatfish), herring and mackerel (pelagics) and blue mussels traditionally dominate the Dutch market (Figure 3.20). With exotic species making limited inroads, the market is often labelled conservative. Tilapia, Nile perch and the increasingly popular Vietnamese catfish (*Pangasius* species), however, are interesting exceptions to this observation. Tropical shrimp has also gained a strong market position.

Mussels are the most popular shellfish item, representing 70 percent of category sales. About 20 percent is shrimps and prawns and the remaining 10 percent consists of miscellaneous shellfish products.

Figure 3.20 Consumer preferences for types of fresh seafood in the Netherlands, 2002–2004, volume percentage



Source: Dutch Fish Marketing Board 2005a

3.1.7 Spain

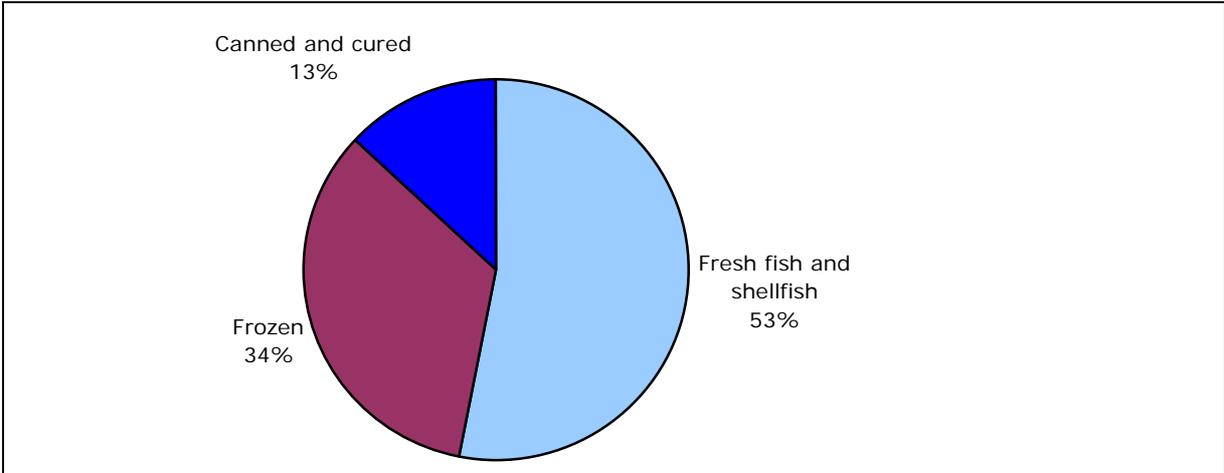
Spanish consumption per head is the second highest in Europe (after Portugal). The total volume of the market is the largest in Europe but in total value it ranks behind France. The Spanish fish market is considered mature with 84 percent of the Spanish households purchasing fish on a weekly basis (Mintel 2004c). Although the consumption per head is 47.5 kg in 2002, this is still 11.8 kg less than in Portugal. The population increases every year, resulting in considerable growth potential in terms of volume and value. According to the Spanish Ministry of Agriculture, per caput consumption in 2002 grew to 36.6 kg, from 31.3 kg in 2001.³ While seafood already accounted for 14 percent of total food expenses in 2001, this percentage further increased in 2002.

Total seafood consumption rose by 3.9 percent in value and 4.5 percent in volume, reaching almost 1.5 million tonnes. Three-quarters of this volume is consumed at home (household market); the remainder in hotels, restaurants and institutions (HRI market). Consumer concerns about BSE boosted seafood consumption in 2001, but consumption continued to grow when in 2002 these concerns faded (USDA/FAS 2003b).

Fresh fish and shellfish account for 53 percent of market volume; frozen seafood is the next major category, followed by canned and cured fish (Figure 3.21). In retail sales the market share of fresh fish is even higher at 66 percent in 2002 (Mintel 2004c).

³ This is not contradictory to the figure of FAOSTAT (2004) cited earlier (47.5 kg in 2002), since that is based on live weight equivalent instead of product weight.

Figure 3.21 Seafood consumption in Spain by category, 2001, volume share by product weight



Source: USDA/FAS 2002a

Spanish consumers like a diversified product range; the most popular products are listed in Table 3.3.

Table 3.3 Most popular seafood products in Spain

Fresh fish	Frozen fish and shellfish	Fresh shellfish
Hake	Squid	Mussels
Anchovies	Hake	Littleneck clams
Whiting	Prawns	Other clams
Sardines	Shrimp	Shrimp
Sole	Swordfish	Crab
Salmon	Octopus	Cockles
Cod	Whiting	Oysters
Trout	Cuttlefish	

Source: USDA/FAS 2003b

Hake is the most popular fresh fish with 18 percent of total retail value and 21 percent of total retail volume in 2003 and more than 77 percent of total retail value in the frozen sector. The second most popular fresh fish species are sardines and anchovies. In the category of canned and bottled fish, tuna by far the most popular species with 69 percent of total retail value and 79 percent of total retail volume in 2003. The category of fish-based convenience foods, such as ready meals, pastry and breaded products have shown a considerable growth over the last years, benefiting from the increasingly busy live styles and the demand for more convenience (Mintel 2004c).

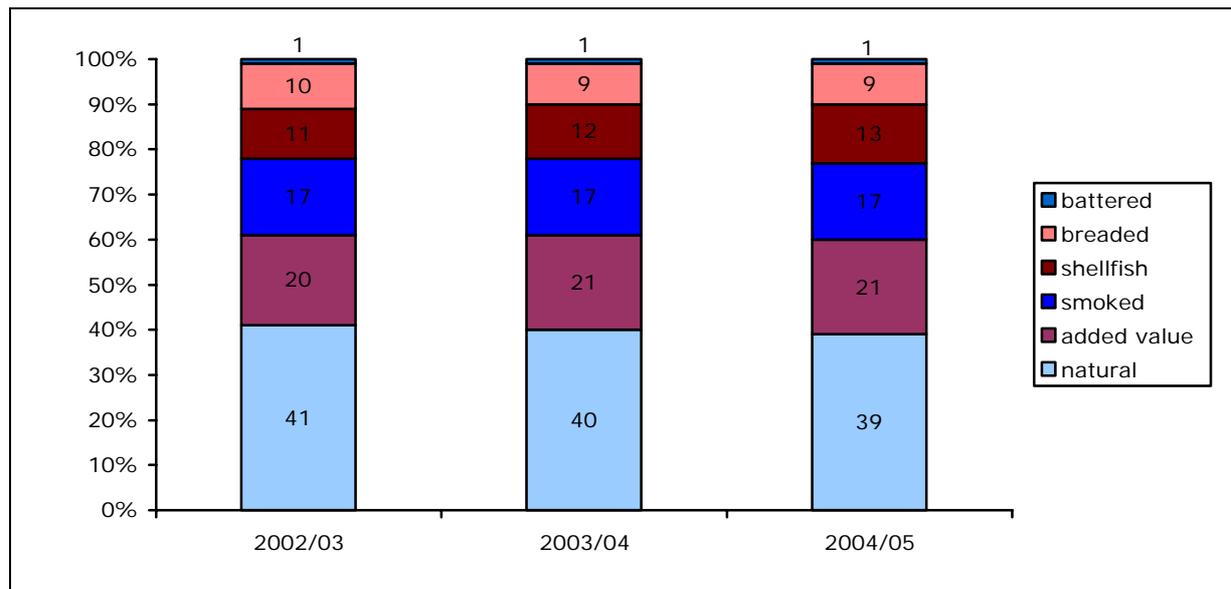
3.1.8 United Kingdom

While household consumption of fishery products in the United Kingdom was fairly stable through the 1990s, from 1999 onwards there has been healthy growth both in value and volume. Chilled seafood has been the star performer, achieving an annual growth rate of 9 percent in the year ending March 2005 compared to the year before. Since March 1995, retail expenditure on chilled seafood increased from 618 to 1101 million pounds in March 2005, while frozen seafood increased only slowly from 636 to 711 million pounds. Market penetration of seafood reached 83 percent in March 2005 which is remarkable high. Seafood is a common ingredient of British dishes. Concerns

over health, food safety scares and increasing demand for convenience food and easy-to-prepare meal solutions have been central to this growth in fish consumption. (Seafish 2005)

Within the chilled seafood category, natural fresh fish is the largest segment, followed by value-added products, smoked, breaded and lastly battered products. Shellfish and especially fresh prawns are growing rapidly with 14 percent in 2004, followed by value-added products which increased by 10 percent. Battered fish had decreased by almost 13 percent (Figure 3.22). Salmon, haddock, prawns and cod are the most popular species of the chilled seafood, together almost 70 percent of total retail value.

Figure 3.22 Chilled fish consumption by segment, UK, 2002-2004, value share



Source: Seafish 2005

Due to a lack of confidence in preparing fresh fish and lack of time for preparing meals, consumers and especially young people, move towards more convenience in seafood. Out-of-home consumption in the commercial sector –which excludes schools, canteens and institutions– amounted to 120 thousand tonnes in 2003, of which 75 percent was fish and 25 percent shellfish. The foodservice channel would thus account for about 30 percent of total seafood sales. Foodservice sales are dominated by cod (30 percent), haddock (18 percent), salmon (10 percent), cold-water prawns (8 percent) and scampi (6 percent). Cod and haddock are important for the traditional fish and chips shops, while salmon, prawns and scampi are used particularly in pubs, bars and restaurants (Seafish 2005).

The site of the British seafood authority gives extensive and up-to-date information on the British seafood market (<http://www.seafish.org/>).

3.2 Market segmentation

The European seafood market can be divided –roughly– into three major regions: Northern Europe including the UK, the Scandinavian countries and the Netherlands; Central Europe including among others Germany, Austria, Poland and the Czech Republic; and the Mediterranean countries. In the former region, consumers prefer cold-water species such as herring, mackerel, pollack, cod, flatfish and trout. In the latter region, species such as hake, squid, octopus, and various molluscs are more popular. France has a middle position, with demand for species of both categories. Some species are popular throughout Europe, e.g. tuna, salmon and shrimps. The

Central-European countries have the lowest levels of consumption and a lesser tradition of eating fish. These countries are either land-locked or have a small marine shoreline compared to the land area.

Another type of segmentation is by product form such as the way of preservation of the product –fresh and chilled; frozen; preserved; or prepared–, and the amount of processing that the products has undergone: whole, gutted, filleted, steaks, pre-cooked; ready-to-eat; or as an ingredient in ready meals. Different presentations may have different uses and may attract very different groups of customers. For example, fresh tuna is used by more adventurous “gourmet” cooks, while canned tuna appeals to consumers that spent less effort on preparing food and prefer convenience-based ingredients.

The distinction between branded and private-label products is of relevance to producers of seafood products in consumer packs. Brands are especially important in the canned, prepared, and frozen segments of the market. Fish that is sold over the counter does not usually carry a brand. Brands therefore have a strong position in countries where much of the seafood is purchased in supermarkets and in frozen form (e.g. Germany). In countries where most of the seafood is sold fresh, brands have just a small share of the consumer market (e.g. Spain). Private (supermarket) Labels are on the increase in many countries. Especially in the ready-meal segment (either frozen or fresh) Private Labels have become important. For a manufacturer it may be more rewarding to own a brand label, but private label production (for others) is usually more accessible.

The age of the consumer is a significant factor in the purchasing behaviour of seafood products. In many European countries, the consumption level of seafood product is the highest among people who are aged above 50. These consumers also buy more fresh fish and whole fish compared to younger age groups. Although seafood is eaten by all age groups, young people and especially children do eat seafood regularly. Fish fingers and canned fish are accepted more easily than fresh fish, molluscs and cephalopods.

A final segmentation discussed here is by distribution channel; retail and foodservice, which includes restaurants. The demand and requirements to suppliers are different for each of these channels. The industry channel may be part of this segmentation since it has its own requirements but it eventually serves both the retail and foodservice channels. Distribution channels are discussed extensively in Chapter 7.

3.3 Consumption patterns and trends

Seafood consumption in the EU has shown a steady increasing trend since the 1980s, as witnessed by the increasing per caput consumption (Figure 3.2). Between 1998 to 2000, however, per caput consumption declined from 26.5 to 24.8 kg. In 2002 most of the loss had been recovered. The 2002 consumption level is 26.3 kg per kg. Individual markets, however, may have followed quite a different growth path. Several countries including Spain, France, the United Kingdom and the Netherlands have actually seen their markets grow more steadily. Other major markets such as Italy and Germany have shown a mixed performance.

Over the past decades, the following products are clearly associated to the growth in consumption:

1. Salmon, with consumption increasing substantially in both the fresh and smoked forms, building upon the availability of more affordable farmed salmon;
2. Shrimps and prawns, with tropical shrimps providing additional supply and succeeding to get shelf space;
3. Smoked fillets in general; besides salmon also trout, mackerel and eel;
4. Value-added products, e.g. surimi, sushi and ready-made meals;

5. Fish fillets and portioned fish, responding to the call for convenience;
6. Exotic fishes such as tilapia, Nile perch and catfish (*Pangasius* species), which owe their popularity, however, primarily to their neutral taste and low price.

On the other hand, some products have experienced below-average growth or decline, including:

- 3 Battered and breaded products, especially in the United Kingdom and the Netherlands;
- 4 Cod, following very strict reductions in allowable catches;
- 5 Herring, especially in Germany.

These and other changes in consumption patterns are driven by underlying changes in consumer preferences, but also by changes in the supply structure. The fish markets are clearly driven by the demands for health, convenience and “experience”. Citizenship or social responsibility is another, smaller trend. Consumers have also become much more price-conscious, in particular since the introduction of the euro in 2002.

Important changes in the supply structure have affected the distribution and availability of fish. The increasing role of supermarkets has brought fish to the attention of a wider audience. In some countries such as the Netherlands the number of outlets is increasing, while in others there is merely a replacement of traditional outlets by new fish counters in supermarkets. The fish industry has furthermore expanded the range of products, successfully introducing new products such as farmed salmon and Nile perch that are both economic and appealing to the consumer. The availability of a wide range of shrimps and prawns is another major achievement. In this way, the strong limitations to the domestic production of fish have partly been overcome. Nevertheless, the price of traditional fishery products such as cod, pollack, sole, plaice, mussels and many others have increased tremendously.

In the following sections the major drivers and constraints for the seafood market will be discussed in detail.

Health

The image of fishery products fits quite well in the healthy-food trend. Consumers try to adapt a more conscious and healthy food pattern. One of the consequences is that consumers prefer products that contain little fat and have high nutritional value. Fish fits this demand since it is generally low in calories and high in protein, vitamins and minerals. Additionally, fish products have qualities that can play a role in combating health problems. One of the clearest examples is fish oil, also known as Omega-3 fatty acids, which has a positive influence in the prevention of heart diseases.

Unfortunately, there is also negative publicity about fish containing high levels of harmful substances. For example, there have been official warnings to consumers, and pregnant women in particular, to limit their consumption of certain species such as tuna and swordfish because these contained too high levels of mercury. Also the use of antibiotics in fish and shrimp farming, resulting in high contents of these substances in the final products, has damaged the image of fish products.

Convenience

The time spent on shopping and preparing meals has been decreasing steadily over many decades. This trend is related to the increasing participation of women in the labour market, the increase of two-working-parent households and the increase of the number of single-person households. The products used in the kitchen are increasingly more conveniently packed and easy to prepare. Grocery shopping is more often one-stop shopping in super- or hypermarkets. This has resulted in a lower market share of the traditional fishmonger and other speciality shops. Fishery products would

theoretically fit well in the convenience trend, since most of the products can be cooked easily and quickly. In practice, however, many people do not know exactly how to prepare fish dishes. This is clearly an obstacle for sales growth. If fishery products are bought, ready-prepared fishery products are preferred, either in fresh (chilled) or frozen form.

Another factor behind the growth of ready-made meals is the increasing presence of freezers and microwaves in household kitchens. This has made it possible to offer frozen and microwave dishes. The convenience trend is noticed everywhere in the EU, but ready-to-eat products have gained most popularity in northern Europe. Ready-to-eat products on a fish basis are increasingly offered, ranging from salmon burgers and cooked lobster in skin packs to ready-to-eat mussel dishes.

The phenomenon of the large supermarket chains offering pre-packed fresh fishery products is likely to lead to increased consumption of fishery products. Fishery products are often displayed next to the fresh meat section. The 'one-stop shopper', who would otherwise not have gone to the fishmonger, may now be tempted to buy fishery products instead of meat.

Other examples of the convenience trends are:

- Fish filet: many fish consumer do not wish to filet the fish themselves;
- Portion-packed: convenience in portioning;
- Pre-cooked: reduces cooking time;
- Easy to prepares, ready to cook: reduces cooking time;
- Neutral taste: easy to combine with other meal components.

Increased interest in speciality products and foreign culinary specialities

Increasing levels of international travel, the growing numbers of international and ethnic food restaurants and special cooking programmes have stimulated northern European consumers to shift from traditional consumption patterns to more international menus. This includes non-traditional fishery products. One example is the increasing popularity of deep-fried cuttlefish (*calamari*) and king prawns (*gambas*), which feature on many menus of Greek, Spanish, Portuguese and Caribbean restaurants that have opened business in northern Europe. *Sushi*, *dim sum* and surimi-based products such as imitation crab sticks, chunks, dice cuts and flakes are other examples. One of the largest factories of surimi is based in Lithuania, one of the new member states. Recently, new fish species such as tilapia, Nile perch and pikeperch have been introduced in the EU market and may be associated to this trend, although their popularity is also explained by the low price, neutral taste and the year-round availability.

Some other examples of speciality fish products are:

- Snack food/finger food;
- Tapas;
- Pastry products;
- Hors d'oeuvres;
- Smoked fish;
- Barbecue products.

Price-conscious consumers

Since a couple of years several countries are experiencing so-called price wars among the retailers (e.g. the Netherlands, the United Kingdom and France). Germany has always been a very price-conscious market with a major position of hard-discount retail stores. The increased price consciousness has led to increased sales of lower-priced brands. Full-service supermarkets and A-brands have had to adapt to this trend by several means.

In this competitive environment, there is clearly a need for lower priced and simple products. It could be argued that the success of Nile perch, tilapia, and Vietnamese catfish are related to this trend. These species are often attractively priced. EU produce is getting scarcer and more expensive, precisely the imported fishery products have to provide cheap alternatives. For some market segments, taste may even be of secondary importance, which goes some way in explaining the recent success of lower-priced "double-frozen" Alaska pollack cuts and fillets produced by China.

Citizenship and social responsibility

In their role of citizens, Europeans consumers increasingly express their concerns about the social and environmental actions of food producing companies. Citizen and consumer groups regularly press both governments and companies to address these issues, while consumers to a certain extent also adapt their purchasing behaviour. Even the largest multinationals have found it hard or impossible to withstand serious public pressure.

In the context of the fish market, there are several major citizenship and consumer concerns:

- Over-exploitation of fishing grounds, depletion of wild-catch fish stocks and competition between fishing activities and nature conservation (see for example the Dutch site <http://www.goedevis.nl/>);
- Environmental and sanitary aspects of fish farming (e.g. use of antibiotics, contamination of freshwater, use of fish as feed);
- Social aspects both in aquaculture and in capture fisheries, e.g. child labour (e.g. on Lake Volta or prawn farms in Bangladesh), gender issues and the position of artisan producers.
- Concern about animal welfare; too many small fishes being caught. Dolphins and turtles as side catches.
- Organic food.

Increasing prominence of multiple retailers in the seafood market

Besides these major consumer trends, an important factor shaping the fish market is the increasing power of retail chains. The sales of fishery products through traditional outlets such as fishmongers and open markets have decreased while sales through supermarket have increased. The increased availability of fishery products through supermarket offers substantial potential for increased sales because a larger audience can be reached. Fresh and chilled fish products have attractive margins. Supermarkets therefore, have invested in wet fish counters or other facilities for fresh seafood. Depending on the organisation, supermarkets may offer fresh seafood as branded or private-label products. Supermarket chains are often more sensitive to consumer demands than manufacturers in the seafood industry and they have often taken the initiative, introducing their own private label products.

Lack of familiarity with preparation of fishery products

The lack of familiarity with preparing seafood is one of the major constraints for the market. This factor is especially important in the less pronounced markets such as the Germany, the Netherlands, the UK and Denmark, although it may be present in other place as well. While preparing fish can be very simple, this is often not the perception of large segment of the population. Another problem is the taste and smell of fish, which is disliked by some. Nevertheless, examples of e.g. France and Spain indicate that a penetration of fishery products of about 90 percent of the households is possible. And even in the UK and the Netherlands a penetration of more than 80 percent was achieved. By offering good information on cooking methods and providing consumers with recipes, the sales of fishery products in the EU can be increased.

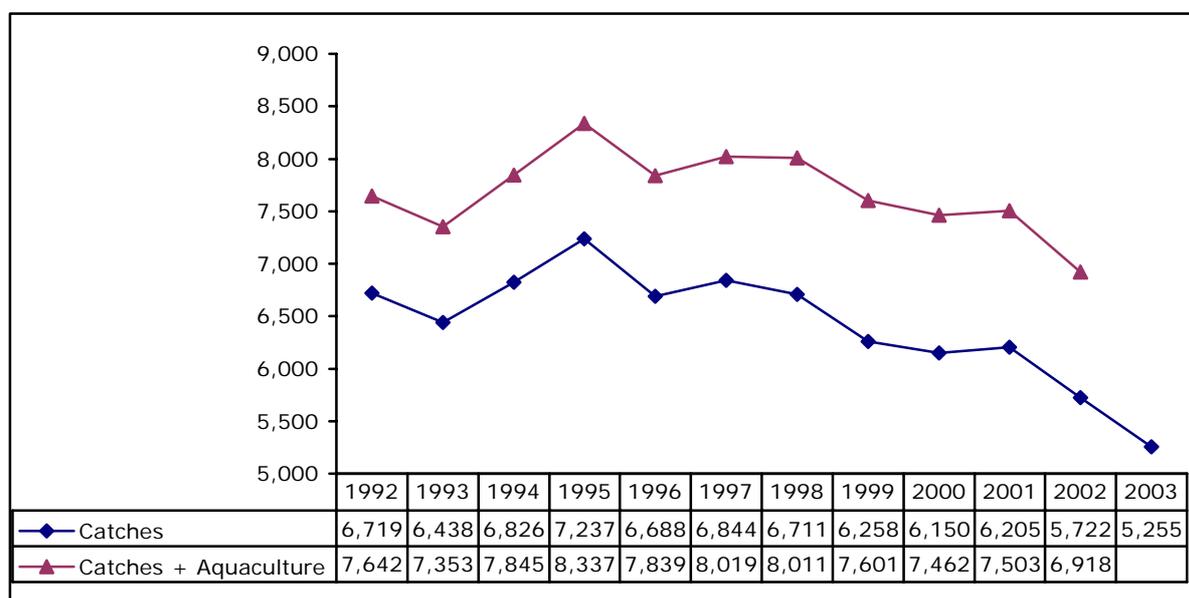
4 PRODUCTION

4.1 EU

Total production

Total fish production (catches and aquaculture) of the EU-15 amounted to 6.8 million tonnes in 2002, of which 5.6 million was from wild-catch fisheries and 1.2 million from aquaculture (Figure 4.1). Since the 1995 high of 8.3 million tonnes, production has steadily been declining, although individual country data show more variation than the overall total. The new member countries produced 678 thousand tonnes of fish in 2002, of which 71 thousand tonnes came from aquaculture (Eurostat 2005b).

Figure 4.1 Fish production, EU-15, 1992–2003, thousand tonnes (live weight)



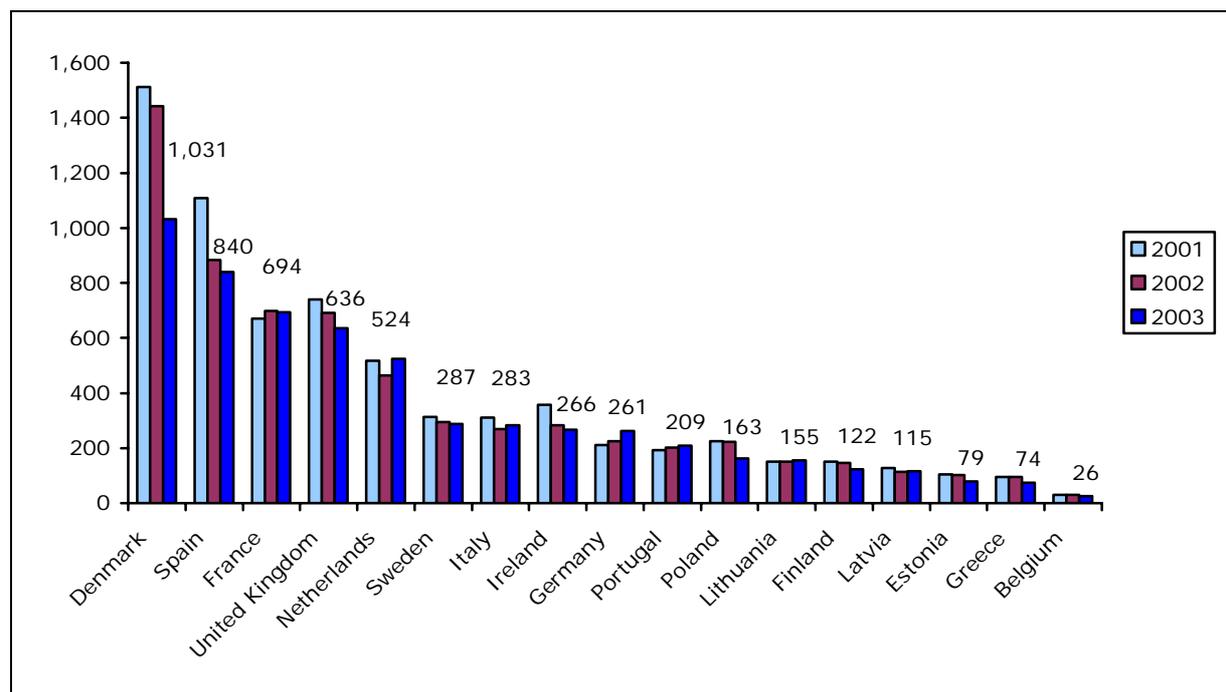
Source: Eurostat 2005b

While the EU-15 contributed only 5 percent to total world fishery production in 2001 (143 million tonnes), this still puts the Union in third position in a ranking of world producers, after China and Peru, but before Japan, India and the US (European Commission 2004a). China alone reportedly produced 51 million tonnes, or 35 percent of world production, although FAOSTAT (2004) indicated a lower figure of 41 million tonnes. There are doubts about the accuracy of the Chinese figures for fish production, expressed for example by FAO (2002).

Catches

The total EU-15 fish catch declined by 8 percent in 2003. This accentuates the longer-term trend of declining amounts of fish catches (Figure 4.1). Denmark has the largest fish catches of the EU-25, followed by Spain, France and the United Kingdom. Of the new member states, only Poland and the Baltic states of Lithuania, Latvia and Estonia have a substantial fishery sector, occupying respectively the 11th, 12th, 14th and 15th position in the EU ranking. Of the old member states, only France, the Netherlands, Italy, Germany and Portugal slightly increased their catches (Figure 4.2).

Figure 4.2 Total fish catches by member state, 2000–2002, 1,000 tonnes (live weight equivalent)



Source: Eurostat 2005b

Note: EU-countries not mentioned here had less than 10 thousand tonnes of catches in 2002

While most fish (84 percent) landed in the EU is caught in areas adjacent to Europe, i.e. the Northeast Atlantic and the Mediterranean and Black Sea, about 15 percent is sourced elsewhere. In particular the Eastern Central Atlantic and the Western Indian Ocean, two areas off the coast of Africa, contribute substantially to EU catches. Inland waters contribute just over 1 percent (Table 4.1).⁴

Table 4.1 Distribution of EU-15 catches by fishing zones, 2001-2002, 1,000 tonnes (live weight)

Fishing zone	2001	2002
Atlantic, Northeast	4,659	4,274
Mediterranean & Black Sea	563	504
Atlantic, Eastern Central	472	406
Indian Ocean, Western	203	280
Atlantic, Southwest	118	48
Inland waters	85	85
Atlantic, Northwest	57	56
Atlantic, Southeast	22	9
Total	6,236	5,722

Source: USDA/FAS 2005 with data from Eurostat

Note: the 2001 total is slightly different from the figure quoted earlier in Figure 4.1. This is probably due to Eurostat's policy to make interim corrections.

Pelagic fish such as herring, sand eel, sprat and mackerel, which is mainly intended for the feed industry, make up more than 50 percent of total EU catches. In 2003, sand eel accounted for 12.6 percent of total EU catches, Atlantic herring for 9.6 percent and

⁴ Descriptions and maps of the FAO major fishing areas can be found at: http://www.fao.org/figis/servlet/static?dom=root&xml=resrsc/map/area_mapform.xml

Atlantic mackerel for 7.7 percent. An economic heavy weight such as cod –destined for human consumption– suffered from reduced catch limits. Other important species are blue whiting, sprat, skipjack tuna and yellowfin tuna, blue mussel, European anchovy and European plaice (Table 4.2).

Table 4.2 Catches of principal species by the EU, 2001-2002, in 1,000 tonnes live weight

Species	2001	2002
Sand-eel	719	723
Atlantic herring	617	552
Atlantic mackerel	423	442
European sprat	368	342
Blue whiting	288	215
European pilchard	244	248
Atlantic horse mackerel	239	135
Skipjack tuna	177	217
Cod	170	138
Yellowfin tuna	156	160
Blue mussel	146	127
European anchovy	126	103
European plaice	102	87
Norway pout	64	78
Haddock	64	76
Saithe	60	67
Norway lobster	54	55
European hake	49	57
Whiting	46	41
Angler	46	29
Mediterranean mussel	44	46
Striped venus	41	30
Common sole	40	33
Atlantic redfish	36	32
Common shrimps	32	33
Albacore	25	26
Swordfish	24	27
Edible crab	24	37
Ling	18	20
sub-total	4,442	4,134
all others	1,794	1,588
Total catches	6,236	5,722

Source: USDA/FAS 2004c with data from Eurostat

Note: The 2001 total is slightly different from the figure cited in Figure 4.1, which is probably due to interim corrections applied by Eurostat.

In 2002 there were about 90 thousand fishing vessels registered in the EU, down from 100 thousand 4 years earlier. Engine power and tonnage totals also show downward trends, to 1.9 million kW and 7.2 million tonnes respectively in 2002. Greece, Italy and Spain have the largest number of fishing vessels, while Spain, the United Kingdom, France and Italy lead in engine power and tonnage. The decrease in the fleet is in accordance with the EU policy of reducing fleet capacity in order to improve the balance between fishing effort and available fish stocks (European Commission 2004a).

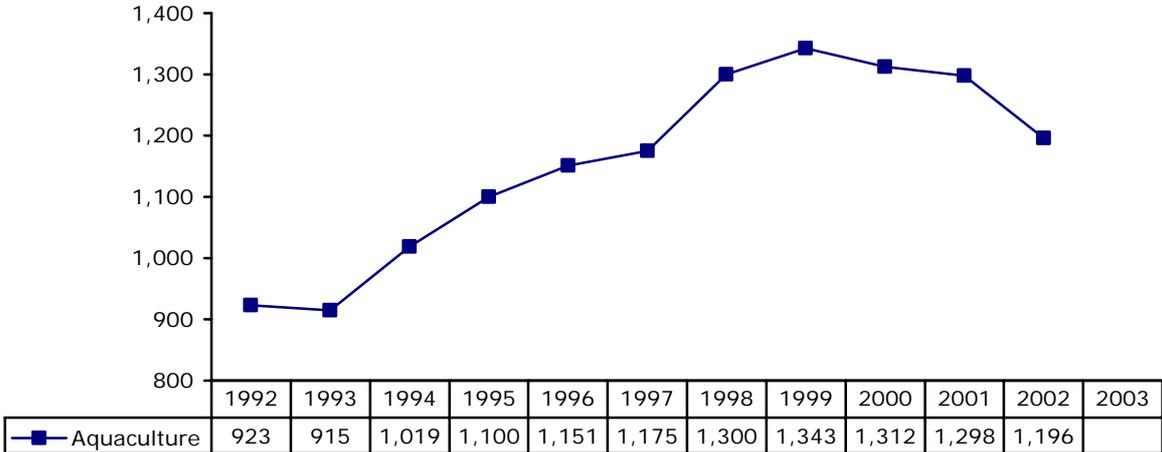
Faced with decreasing landings, the fishing industry is seeking alternatives, one of which is deep-sea fishing. Because of the unattractive appearance of fishes living in the depths of the oceans, however, they are generally not marketed in whole form, but

processed or filleted. Taste has proven less of a problem and species such as the grenadier and the orange roughly are purchased by an increasing number of consumers.

Aquaculture

While aquaculture has become increasingly important in the global supply of fishery products, EU-15 production has only shown limited growth in the past decade. Since 1999 EU production volumes have even declined, to reach 1.2 million tonnes in 2002 (Figure 4.3). Nevertheless, aquaculture represents 18 percent of total fish production by volume and 30 percent by value (European Commission 2004a). According to FAO (2003), global aquaculture production excluding China has more than doubled in a decade, while world capture fisheries have remained stable.⁵ This fastest growth path of any food sector has been labelled the “blue revolution”. With capture fisheries reaching a natural ceiling, aquaculture provides an important alternative to meet demand for fish. Fish supply from aquaculture is moreover more consistent throughout the year, while it can more easily meet the changing demands of the customers.

Figure 4.3 Aquaculture production, EU-15, 1992–2003, thousand tonnes (live weight)

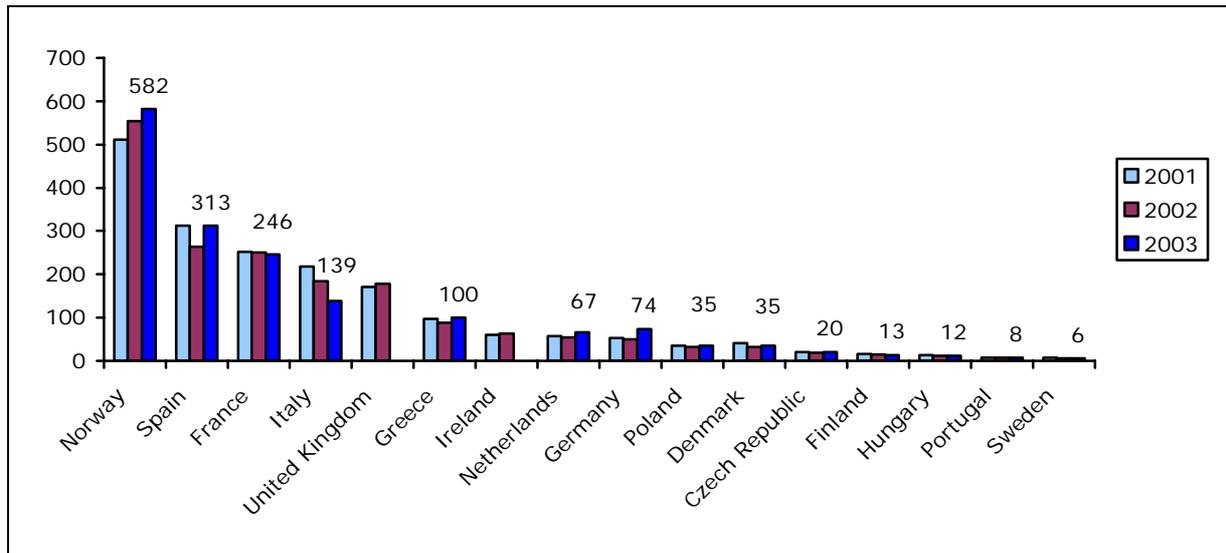


Source: Eurostat 2005

Spain, France, Italy and the United Kingdom are the largest EU producers of aquaculture products. Of the new members only Poland, the Czech Republic and Hungary produce more than 10 thousand tonnes. Norway is by far the largest producer in Europe, supplying large quantities of salmon to the EU markets. Norway, Spain, Netherlands and Germany reported a growth in aquaculture production in 2003 (Figure 4.4).

⁵ When data for China are included, growth in aquaculture production is even stronger and capture fisheries are growing as well.

Figure 4.4 Aquaculture production in the EU and Norway, 2001–2003, 1,000 tonnes (live weight)



Source: Eurostat 2005

Notes: EU countries not mentioned had less than 10 thousand tonnes of catches in 2002. Data for the United Kingdom and Ireland are missing for 2003.

The main species produced in the EU are blue mussels (402 thousand tonnes in 2001), rainbow trout (227 thousand tonnes), salmon (162 thousand tonnes), oysters (134 thousand tonnes) and Mediterranean mussels (127 thousand tons). The UK is the largest aquaculture fish producer in the EU (salmon alone 138 thousand tonnes) and Spain is the largest in shellfish (blue mussel alone 201 thousand tonnes) (European commission 2004a).

While European aquaculture is dominated by the five species mentioned above, on a smaller scale there has been aquaculture of eel, carp (eastern Europe), sea bass, sea bream (Greece) and catfish for a long time. Technical developments now allow for aquaculture production of cod and turbot. This may lead to increased production of those major economic species, provided that the prices remain high enough. It is not expected that other species will be produced in Europe in the near future. Shrimps and prawns, for example, are more profitably produced in warmer climates. Freshwater lobster is increasingly supplied from central Asian countries such as Armenia, but also from Turkey.

Aquaculture production of salmon is expected to stabilize in the future because of saturation of the market. However, growing demand for luxury fishery products in Eastern Europe could postpone this trend. Mussels are cheap and profitably produced on ropes in the water, but new production methods are nevertheless being developed. Oyster production in the EU has been decreasing due to lack of clean water.

With the growth of the sector, criticism on (the quality of) aquaculture products has also increased. Criticism ranges from pollution through manure, lower quality and taste, health risks associated with the use of antibiotics and colouring agents in feed, the ecological danger of mixing cultured fish with wild fish, to the animal-unfriendly way of production. Moreover, there is concern about the dependency of aquaculture on wild fish-catches for feed (although this is only true for carnivore fish species). Partly as a response to these criticisms, organic aquaculture may be seen as an alternative. Certified organic products are produced according to clearly defined organic production methods. Although the availability of organic fish is still very limited (to mainly salmon and some trout and carp), consumers have a positive attitude towards these products.

Processed fishery products

Processing is defined as any activity that adds value to raw products, for example filleting, cooking, breading, canning or smoking. The most important processed products are fresh or frozen fish fillets and breaded, cooked fish. Fish processing in the EU utilises both domestic landings and imported products.

The value of fishery products produced every year by the processing industry in the European Union amounts to about € 18 billion, almost twice the value of landings and aquaculture production combined. The most important types of products produced by the fish processing industry are preparations and canned fish (€ 6.7 billion) followed by fresh, chilled, frozen, smoked or dried fish (€ 5.2 billion) (European Commission 2005b). The United Kingdom, Spain, France, Germany, Italy and Denmark are the major producing countries, together accounting for 80 percent of sector value.

The fish canning industry is based on an innovative method of stabilising fresh products and prolonging the shelf life, which were developed after the Second World War. But nowadays, canned food products suffer from an outdated image. Moreover, consumers consider chilled and fresh products as healthier than their canned counterparts. Canned food products are traded in declining market in many European countries. Nevertheless, canned fish products still occupies a large share of the seafood market. The frozen food industry is expected to resume growth following new product releases, improved quality and increased demand for convenience foods.

Landing restrictions

EU fish catches are largely determined by the EU Common Fishery Policy, as well as by fisheries agreements with third countries. This central role of the European government in fishery policy is a response to the declining European fish stocks and the consequently declining production levels over several decades. Major fish species such as cod have stocks below the considered safety limits, although other fish species have recently shown a recovery, for example plaice.

EU Common Fishery Policy

Landings and catches of many important species have been influenced by the EU Common Fishery Policy (CFP) since 1983, with the objective of conserving or rebuilding fish stocks and allocating fishing rights to the member states. Common measures have been agreed upon in four main areas:

1. Conservation – to protect fish resources by regulating the amount of fish taken from the sea, by allowing young fish to reproduce and by ensuring that measures are respected.
2. Structures – to help the fishing and aquaculture industries adapt their equipment and organisations to the constraints imposed by scarce resources and the market.
3. Markets – to maintain a common organisation of the market in fish products and to match supply and demand for the benefit of both producers and consumers.
4. Relations with the outside world – to set up fisheries agreements and to negotiate at the international level within regional and international fisheries organisations for common conservation measures in deep-sea fisheries.

In 2003, a new common fisheries policy was agreed by the EU ministers, building on existing policy under the 1992 Council Regulation No. 3760 (see box).

What has changed with the New Common Fisheries Policy (CFP)?

The main changes of the CFP can be summarised as follows:

Long-term approach: under the new CFP, long-term objectives for attaining or maintaining safe levels of adult fish in EU stocks will be set as well as the measures needed to reach these levels.

A new policy for the fleets: the reform has responded to the challenge posed by the chronic overcapacity of the EU fleet by providing two sets of measures.

Better application of the rules: the diversity of national control systems and sanctions for rule breakers undermines the effectiveness of enforcement.

Commission inspectors' powers to ensure the equity and effectiveness of EU enforcement have been extended.

Stakeholders' involvement: stakeholders, particularly fishermen, need to take a greater part in the CFP management process.

In the framework of these general principles, the following concrete measures were adopted by the European Union in 2003:

Mediterranean fisheries: An Action Plan was adopted aiming to ensure sustainability of fisheries in the Mediterranean. The plan included the following actions: a concerted approach to declaring fisheries protection zones; the use of fishing effort as the main instrument in fisheries management; improvement of fishing techniques so as to reduce the adverse impact on stocks and the marine ecosystem; and promoting international co-operation.

Other **Action Plans, Strategies and Communications** have been adopted within the reform process, concerning:

a strategy for the sustainable development of European aquaculture;

the integration of environmental protection requirement into the CFP;

the eradication of illegal fishing;

measures to counter the social, economic and regional consequences of fleet restructuring;

the reduction of discards of fish;

the creation of a single inspection structure;

the creation of partnership agreements with third countries;

Communication on transparency, performance and compliance in the enforcement of CFP rules in the EU.

More information on the New Common Fisheries Policy can be found at:

<http://www.europa.eu.int/comm/fisheries>.

Total Allowable Catches

The Total Allowable Catches (TACs) are a major instrument of the Common Fisheries Policy. These TACs are specified for the major species according to two sectors:

benthic and demersal species and pelagic species. Catches of deep-sea species in European waters are negligible. While the TACs are set annually, they are regularly modified throughout the year and member states may also exchange TACs among themselves.

The most recent information on TACS is available at:

http://europa.eu.int/comm/fisheries/doc_et_publ/pub_en.htm.

Fisheries agreements with third countries

With the introduction of Exclusive Economic Zones (EEZ) in the UN Convention on the Law of the Sea (UNCLOS) in 1982, 95 percent of the world's fishing stocks and 35 percent of the oceans were placed under the jurisdiction of national governments of coastal states.⁶ Exclusive Economic Zones generally extend 200 nautical miles into the sea from the territorial waters of each state. UNCLOS states that coastal countries that are unable to fully utilise or harvest fisheries resources within their EEZ should allow other countries (industrial vessels) access to the surplus stock. The enforcement of the EEZs meant that traditional access was lost to the long-distance fishing fleets of the European Community. This, combined with the need to conserve fish stocks within Community waters, made the negotiation of third-country fisheries agreements essential: as a way to gain access to fish stocks, as a way to employ EU fishing fleets, and finally to reduce the pressure on EU fishing resources.

Nature and scope of the fisheries agreements have expanded steadily since their introduction. As an illustration of this, the EU budget for international fisheries agreements expanded from €6 million in 1981 to €280 million in 1996. While initially confined to the North Sea, the geographic scope of the EU fisheries agreements now extends to the Southern Atlantic and the Indian Ocean. In 2003 the EU had 26 agreements, 15 with countries in Africa and the Indian Ocean, 10 with North Atlantic and Baltic countries, and one with a Latin American country (Chile). In 2004 the agreements with the Baltic countries were replaced by the accession treaties.

The nature of the individual agreements is supposed to reflect the objectives and economic interests of the respective parties. The agreements with several West-African ACP countries, for example, are based on access to resources for EU vessels in exchange of financial compensation. The financial contribution allows for development projects in the fishing sector (port facilities, installation of engines on board indigenous craft, cold stores, etc.), better knowledge of the state of fish stocks through scientific research and more effective surveillance of fishing activities in their waters.

In an effort to increase the coherence between fisheries agreements and other EU policies (e.g. development cooperation), the European Commission has proposed that the current agreements oriented to access to fishing waters move to partnership agreements. This should contribute to responsible fishing in the mutual interest of the parties concerned. As a part of this new philosophy, the EU now aims to foster the capacities of developing countries in exploiting their marine resources, increasing local added value and obtaining a fair price for the access rights by foreign fleets to their Exclusive Economic Zones.

The EU has also set up a programme to remove trade and non-trade barriers for imports of fish from developing countries called "Strengthening Fishery Products Health Conditions in ACP/OCT Countries".

⁶ The Convention came into force in 1994. More information can be found at: <http://www.unclos.com/>

In the following paragraphs, the production of fishery products of the selected countries will be discussed. The data represented in these paragraphs may deviate from the data presented in figure 4.2 and 4.4 due to differences in data sources. The production data in the following paragraphs are mostly taken from national statistics and provide more detail on production.

4.2 Denmark

The total Danish landings amounted to 1,442 thousand tonnes in 2002. 75 percent of the volume is used in the fish industry (mainly fish meal and oil). This volume represented a value of 500 million euros. The most important species in terms of volume were sprat and sand eel, which are both used in the fish meal and oil industry. In terms of value, cod, sprat and shrimps are the major species (Danish Directorate of fisheries 2003).

4.3 France

According to Ofimer, the total volume of fishery products landed in France by French fishing boats in 2004 was 253 thousand tonnes at a value of 692 million euros. These fishery products were landed at 41 fish auctions across France. Sardines, squid, anglerfish and scallops were the major species in terms of volume. In terms of value, sole, anglerfish and Norway lobster (scampi) were the major species (Ofimer 2005). A total of 899 thousand tonnes of fishery products were produced (wild catch and aquaculture), representing a value of 1,868 billion euros. The most important aquaculture products were fresh fish, bivalves, crustaceans and cephalopods. Also a small quantity of algae were produced (Ofimer 2005).

4.4 Germany

The Fisch Informationszentrum reported a total landing of fishery products in Germany of 265 thousand tonnes in 2003. The most important species were herring, cod and mackerel. The aquaculture shows a decreasing trend. In 2003, 38 thousand tonnes of fish was produced, 5 percent less than the year before. The main aquaculture species were trout and carp (Fisch Informationszentrum 2005).

4.5 Italy

The Italian catches of fishery products in 2003 were 315 thousand tonnes worth 1.4 billion euros. The most important species were anchovies and sardines, followed by clams, hake, mullets and swordfish. The production of aquaculture in 2003 consisted mainly of mussels (135 thousand tonnes), clams (55 thousand tonnes) and trout (44 thousand tonnes) (USDA/FAS 2004b).

4.6 The Netherlands

The total landings at Dutch fish auctions (by domestic and foreign fleet) in 2004 amounted to 107 thousand tonnes at a value of 326 million euros. The most important species in terms of volume were plaice, sole, shrimps and dab. In terms of value, the most important species were sole, plaice, turbot and shrimps (Dutch Product Board Fish 2005).

4.7 Spain

The Spanish Ministry of Agriculture, Fisheries and Food reported a total production of fishery products of 930 thousand tonnes in 2001, at a value of 1.9 billion euros. The most important species was tuna (30 percent of total volume), which was mainly used in the canning industry. Other major fish groups were groundfish, blue fish (anchovies

and sardines) and hake (Spanish Ministry of Agriculture, Fisheries and Food 2005). Although official data are not available for 2002 or 2003, industry sources say that the landings are decreasing due to an additional reduction in catches in EU waters (USDA/FAS 2003b). Aquaculture production in 2002 amounted to 292 thousand tonnes. Trout and blue mussels were the most important species (USDA/FAS 2003b).

4.8 UK

According to the UK Department of Environment, Food and Rural Affairs, the total landings of fishery products into the UK in 2003 was 551 thousand tonnes at a value of 481 million pounds. Mackerel, haddock and cod were the most important species in terms of volume. In terms of value, Norway lobster (scampi), mackerel and cod were the most important species (UK Department of Environment, Food and Rural Affairs 2005). The main species of farmed fish in the UK is salmon. In 2001, 139 thousand tonnes of salmon was produced, mainly in Scotland. Another important aquaculture species was rainbow trout (UK Department of Environment, Food and Rural Affairs 2005).

5 IMPORTS

5.1 Total imports

Total EU-15 imports of fishery products in 2003 declined by 1.5 percent to 22.5 billion euro. Measured in dollars, however, import value increased, since from January 2003 to January 2004 the euro gained 16 percent in value against the dollar. Import volume increased by 5 percent to 7.5 million tonnes in product weight. Spain, France, Italy, Germany and the United Kingdom are the major importers (by value), while in terms of volume Denmark and the Netherlands are also important. Spain, Italy, Sweden, Belgium and the Netherlands reported increased imports in 2003 (Table 5.1).

Import figures include imports from other EU member countries and from countries outside of the EU. The imports from outside of the EU remained almost stable in value at 12.3 billion euro, but the volume increased by 7 percent to 4.2 million tonnes. Developing countries have a share of 54 percent in the volume of external EU trade amounting to 2.3 million tonnes and a share of 56 percent in value amounting to 6,9 billion euro.

These data emphasize the reliance of the EU markets on imports of fishery products. Unfortunately, these data cannot easily be compared with data from other sources quoted in this report such as FAOSTAT and Eurostat. In chapters 3 and 4, the data on market size and production volume are based on live weight, while the data presented in Table 5.1 are based on product weight. Trade data mentioned here are on the basis of landed volumes and values are based on import prices.

Table 5.1 Imports of fishery products by EU member countries, 2001-2003, million €/1,000 tonnes (product weight)

	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
EU-25	23,977	7,819	23,626	7,616	23,253	8,022
EU-15	23,202	7,284	22,889	7,141	22,547	7,513
EXTRA EU-25	12,722	4,012	12,357	3,920	12,321	4,201
Developing countries	6,872	2,106	6,639	2,062	6,917	2,284
Spain	4,333	1,475	4,212	1,411	4,377	1,545
France	3,409	968	3,373	943	3,316	981
Italy	3,051	801	3,070	803	3,109	835
Fr Germany	2,674	869	2,492	823	2,225	795
United Kingdom	2,359	683	2,327	656	2,104	674
Denmark	1,881	737	1,820	717	1,730	776
Netherlands	1,598	667	1,680	714	1,684	745
Belgium	1,174	237	1,174	241	1,223	279
Portugal	1,071	333	1,025	336	998	355
Sweden	820	209	851	221	923	271
Greece	295	120	338	108	339	108
Austria	197	49	206	50	209	55
Finland	126	47	133	46	144	54
Ireland	141	79	121	63	95	29
Luxembourg	73	11	68	10	69	10

Source: Eurostat 2004

Poland is by far the largest importer of fishery products of the new member countries, accounting for almost half of their import value (Table 5.2). Compared to the imports of all 25 member countries, the new countries only account for 3 percent of the value and 6 percent of the volume of imports. A majority of the fishery products imported into new member countries originated from outside of the EU: 74 percent by value. Developing countries had a share of 37 percent in value and 33 percent in volume of their external imports. This is less than the share of developing countries in EU-15 external imports which is above 50 percent.

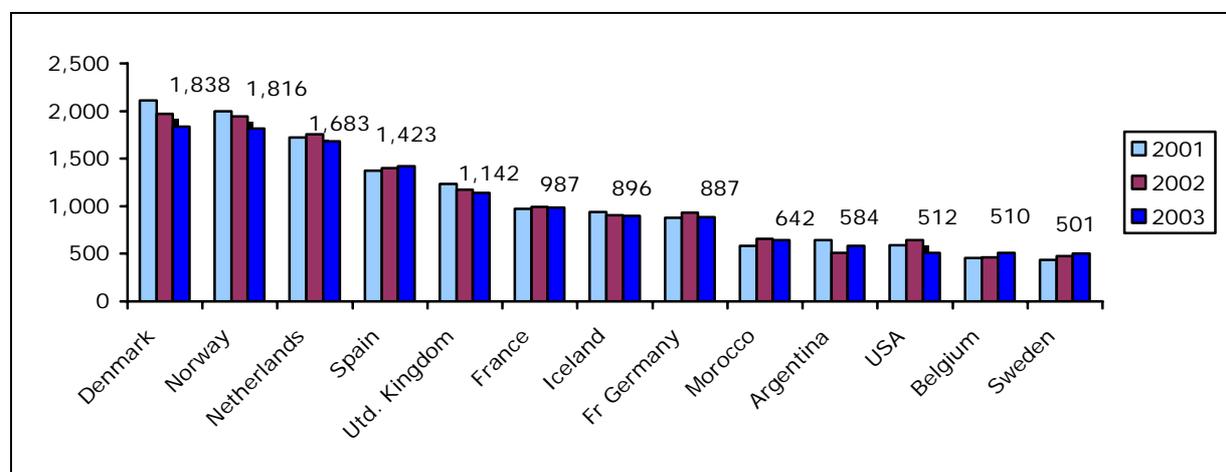
Table 5.2 Imports of fishery products of the 10 new EU member countries, 2001-2003, million € and 1,000 tonnes (product weight)

	2001		2002		2003	
	value €	volume	value €	volume	value €	Volume
EU-25	23,977	7,819	23,626	7,616	23,253	8,022
Total, new members EU	775	536	737	475	706	509
EXTRA EU-25	588	385	536	340	526	374
Developing countries	193	102	183	101	195	125
Poland	397	258	344	221	330	236
Czech Republic	87	50	87	49	80	50
Lithuania	76	60	76	56	77	62
Estonia	35	53	39	44	44	42
Hungary	32	15	32	16	33	17
Slovenia	29	10	32	11	32	12
Slovakia	33	22	34	22	29	21
Cyprus	31	9	29	9	27	10
Latvia	30	39	30	34	27	30
Malta	24	17	33	13	25	27

Source: Eurostat 2004

Denmark, Norway, the Netherlands and Spain were the leading supplying countries of fishery products in 2003 to the European Union. Among the non-EU suppliers, Norway, Iceland, Morocco, the United States, Argentina and Russia were the largest suppliers. Of the major suppliers, only Spain, Argentina and Belgium managed to increase their exports to (other) European countries (Figure 5.1).

Figure 5.1 Leading suppliers of fishery products to the EU-25, 2001-2003, in million €.



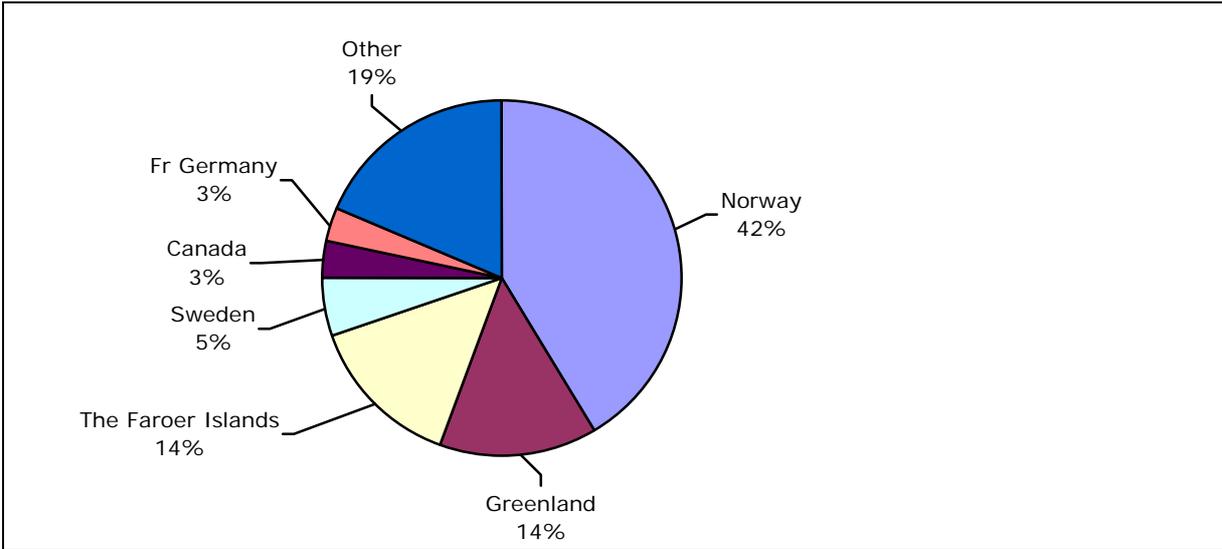
Source: Eurostat 2004.

The following sections deal with the imports of the seven major importing countries (in alphabetical order): Denmark, France, Germany, Italy, the Netherlands, Spain and the United Kingdom. Products of particular relevance to developing countries are highlighted. Other parts of the market are therefore not included in the graphs. In paragraph 5.2, the imports will be analysed by product group. See Appendix 2 for more detailed trade data.

5.1.1 Denmark

Denmark occupies a special position in the market of fishery products. It is number six in the list of largest importers of fishery products in the EU in terms of value and number five in terms of volume. Its fishery production is the highest in the EU, while consumption is about average. Most of the fish landed and imported in Denmark is exported to other countries, usually after some form of processing. The major supplier of fishery products to Denmark is Norway, followed at some distance by Greenland and the Faeroe Islands (Figure 5.2). Although Greenland and the Faeroe Islands are part of the Kingdom of Denmark, they have (partial) autonomy and are not part of the European Union. There are separate trade agreements between the two countries and the EU for fishery products, which is their most important economic activity. Both the Faeroe Islands and Greenland have extensive fishing waters.

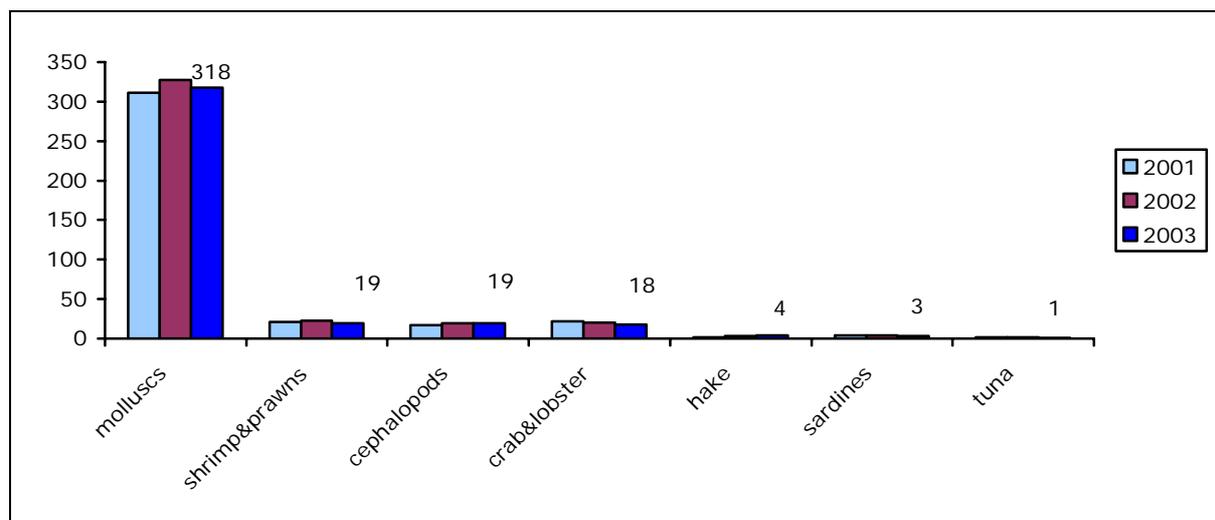
Figure 5.2 Leading suppliers of fishery products to Denmark, 2003, share of total imports in terms of value



Source: Eurostat 2004

Molluscs are by far the largest category of the selected product groups. Mollusc imports amounted to 318 million euros, which is 18 percent of the total Danish import of fishery products (Figure 5.3). Most of these molluscs are used in the processing industry and then exported to countries such as France and Germany.

Figure 5.3 Import of selected fishery products into Denmark, by product group, 2001-2003, in million €



Note: Only the product groups most relevant to developing countries

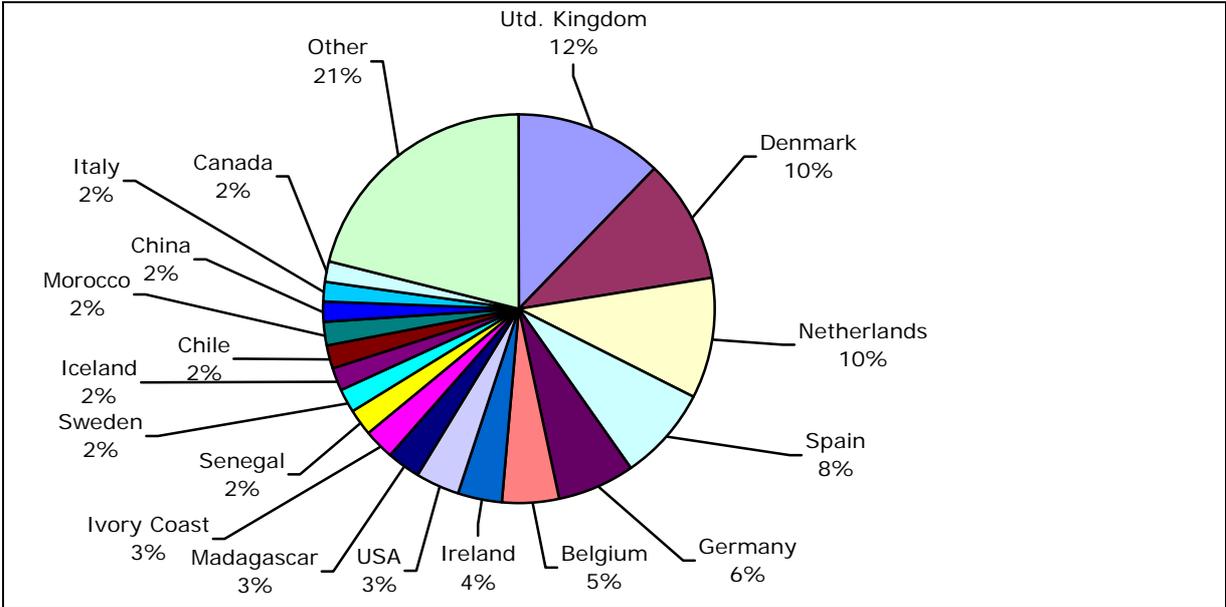
Source: Eurostat 2004

5.1.2 France

France is the second largest importer of fishery products in the EU after Spain. The imports of fishery products amounted to € 4.3 billion in 2003, which constituted a four-percent increase compared to 2002. The volume also increased, by 9 percent, to 1.5 millions tonnes. The leading supplier countries were the United Kingdom, the Netherlands, Denmark, Spain and Germany. The share of the Netherlands fell in 2003 compared to 2002. The United Kingdom and Germany in 2003 showed the largest increase in exports to France, respectively of 8 and 7 percent. All other EU countries increased as well. From the non-EU countries, the United States, Madagascar and Côte d'Ivoire are the largest suppliers, but each of these saw its exports to France decline in 2003 (Figure 5.4).

French consumers eat more coldwater species than for example their neighbours in Spain. These coldwater species are either landed domestically or by North-European countries. Developing countries mainly supply warmwater species. Their share in French imports is therefore with about 25 percent, lower than in Spain.

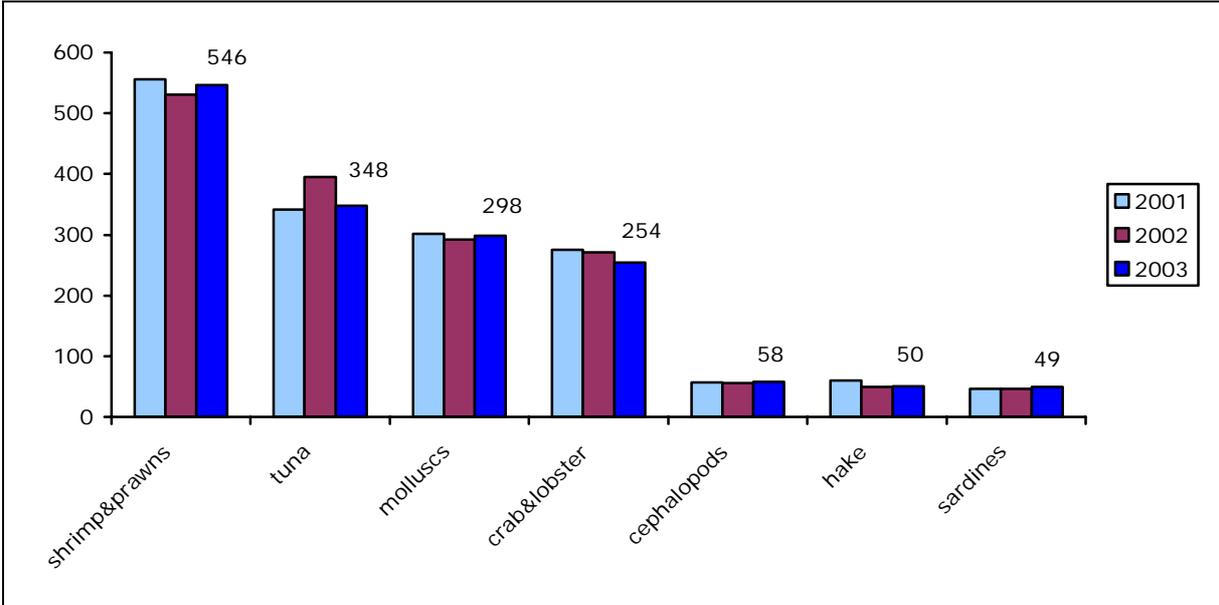
Figure 5.4 Leading suppliers of fishery product to France, 2003, share of total imports in terms of value



Source: Eurostat 2004

As in most European countries, French production is insufficient to meet domestic demand. France has a relatively high consumption of shellfish compared to other countries, which is reflected in the import figures. About 35 percent of import value consists of shellfish products. Shrimps and prawns remained the leading product group imported into France, followed by tuna, molluscs, crab and lobster (Figure 5.5). The imports of tuna have decreased in 2003, after showing a strong increase from 2000 to 2002.

Figure 5.5 Import of selected fishery products into France, by product group, 2001-2003, in million €



Note: Only the product groups most relevant to developing countries
 Source: Eurostat 2004

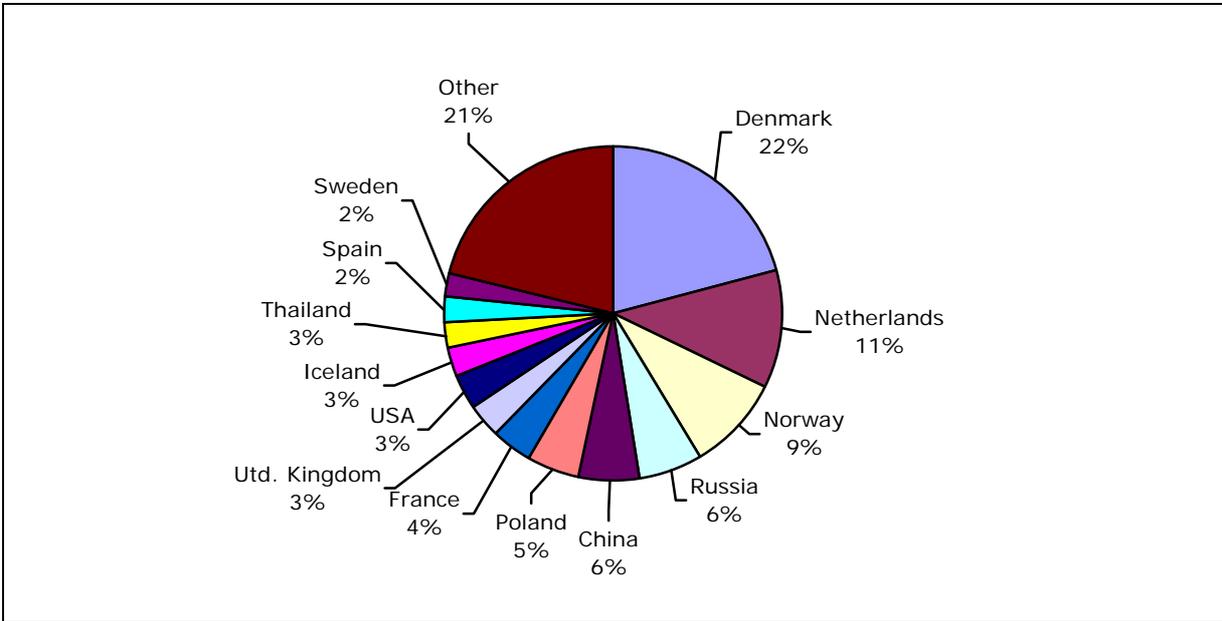
The French canned tuna market remains dominated by four countries: Côte d'Ivoire, Spain, Seychelles and Madagascar (Globefish 2005a). Tuna is also supplied in frozen form and is mainly used in the French canning industry. Just a small part of all imports consists of fresh or chilled tuna.

By European standards, lobster and crawfish are popular species in France. Between 2003 and 2004, the import value roughly stabilised, amounting to respectively € 75.2 million and € 65.5 million. In 2004, live crab represented 44 percent of the import value, followed by frozen crawfish (29 percent). Developing countries have virtually no share in the imports of large crustaceans. The dominant species are the North-American lobster and crawfish, which are mainly supplied by the USA and the UK (Globefish 2005b).

5.1.3 Germany

Germany is the fourth largest import market in the EU. 2003 was the third year in succession that imports declined. Germany imported € 2.2 billion of fishery products, a decline of 11 percent compared to the year before. The volume of imports declined by 3 percent from 823 to 795 tonnes. Denmark is the largest supplier to the German market, followed by the Netherlands, Norway, the USA and Russia. While the share of Denmark and Norway in total imports increased substantially, the share of the Netherlands remained the same, and that of the USA decreased. China is an important upcoming supplier. Chinese exports to Germany in 2003 increased by 50 percent to reach € 154 million. Since German fish consumption is dominated by coldwater species, developing countries have a share in total imports of only 20 percent (Figure 5.6).

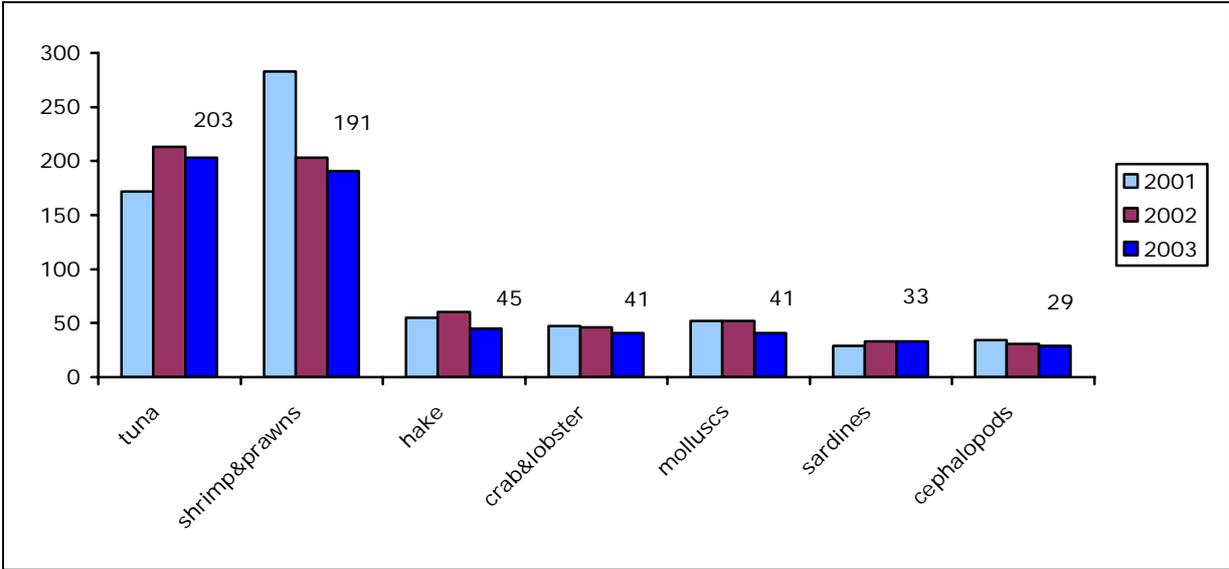
Figure 5.6 Leading suppliers of fishery product to Germany, 2003, share of total imports in terms of value



Source: Eurostat 2004

In 2003, the value of shrimp and prawn imports continued to decline, while most other product groups also experienced decline (Figure 5.7).

Figure 5.7 Import of selected fishery products into Germany, by product group, 2001-2003, in million €



Note: Only the product groups most relevant to developing countries
 Source: Eurostat 2004

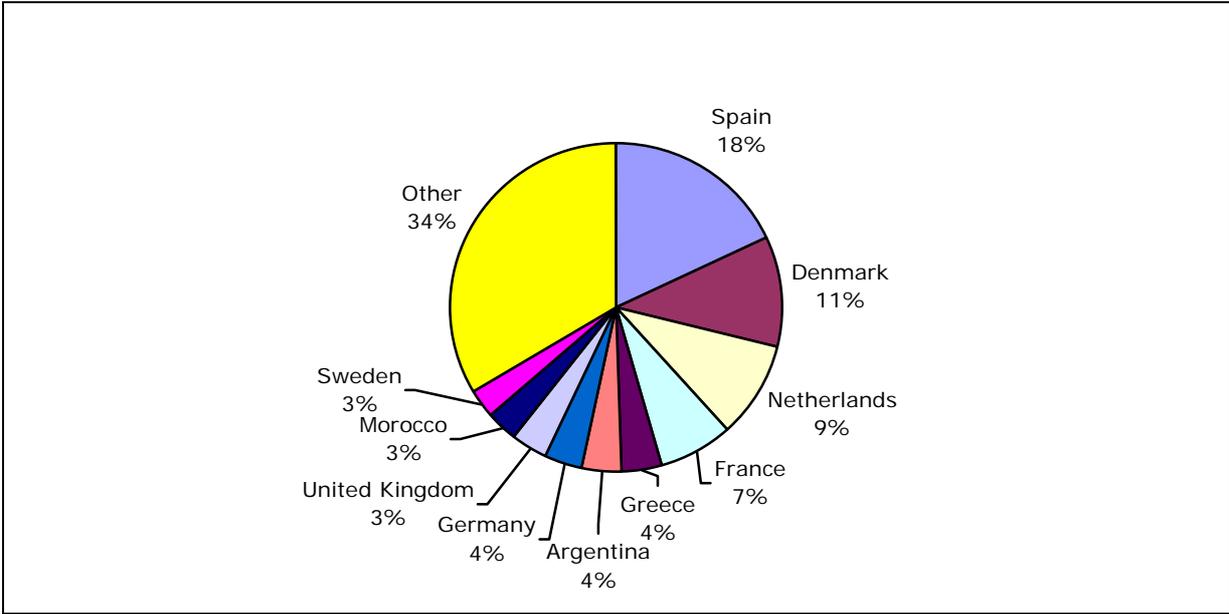
A substantial part of tuna imports is from developing countries. The Philippines are the largest supplier of canned tuna but the volumes are declining. Also Thailand, which was a major supplier of canned tuna, has exported fewer quantities to German. At the same time, imports from Ecuador and Madagascar have increased significantly. Main reasons for these developments are the high prices of Asian canned tuna caused by high prices of raw materials (Globefish 2005a).

The imports of frozen shrimps and prawns originate from many countries, of which India, the Netherlands and the UK are the most important (Globefish 2005c). Thailand, Bangladesh and Indonesia are some of the other suppliers. Most of the imported shrimps and prawns are frozen; fresh or chilled produce only constitute a few percent of imports.

5.1.4 Italy

Italy is the third-largest importer of fishery products in the EU, with an import value of 3.1 billion euro in 2003. While the Italian seafood market experienced a strong decline in 2002 (see Chapter 3), the imports of fishery products have shown a small upward trend over the last years. Spain, Denmark, the Netherlands and France are the major suppliers. Argentina and Morocco are the largest non-EU suppliers (Figure 5.8).

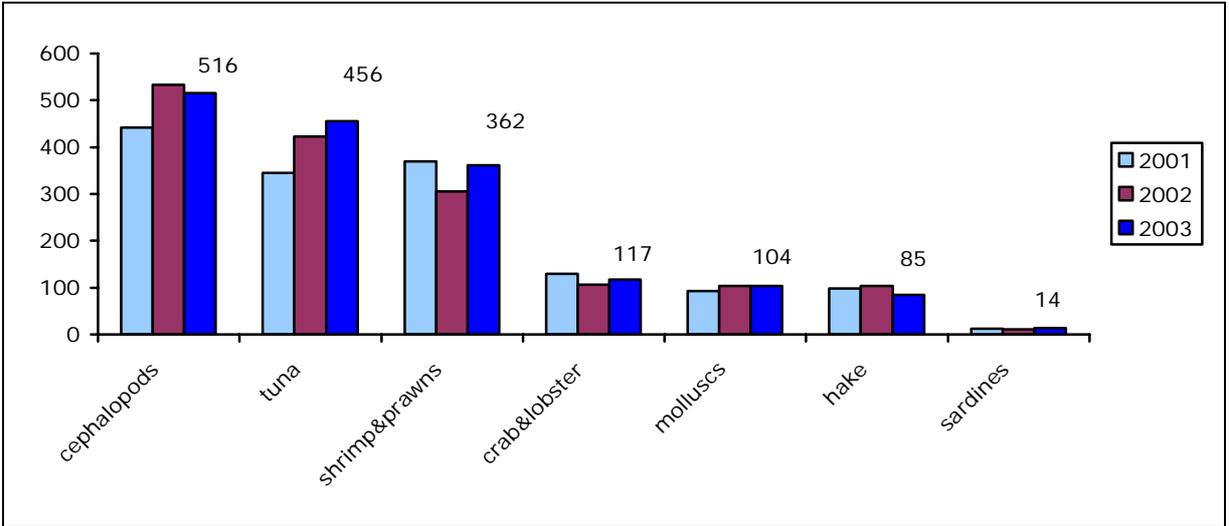
Figure 5.8 Leading suppliers of fishery products to Italy, 2003, share of total imports in terms of value



Source: Eurostat 2004.

Cephalopods are the largest category of the selected products in terms of value, followed by tuna, and shrimps and prawns. Crab, lobster, molluscs, hake and sardines are small product groups. The imports of cephalopods in 2003 decreased, after having increased remarkable in 2002. Tuna, shrimps and prawns were on the increase, as well as crab and lobster (Figure 5.9).

Figure 5.9 Import of selected fishery products into Italy, by product group, 2001-2003, in million €



Note: Only the product groups most relevant to developing countries
Source: Eurostat 2004.

Developing countries play a major role in cephalopod imports to Italy. Two-thirds of these imports are cuttlefish and squid (87 thousand tonnes in 2004), while octopus takes the remaining part (44 thousand tonnes in 2004). Spain is the largest supplier of both squid and octopus. From the developing countries, South Africa, Argentina and Peru are important suppliers of squid; Senegal, Thailand and Morocco are important suppliers of octopus.

Spain has a major share (almost 50 percent) in the canned tuna import volume in 2004. Ivory Coast, Colombia and the Seychelles are the major suppliers among developing countries (Globefish 2005a). Italy also imports fresh and frozen tuna for canning purposes, for which the better quality yellowfin is often used. All tuna for the canning industry has to be imported, as the limited domestic catch of bluefin tuna is exported to Japan. Colombia and Ecuador are the most important suppliers of fresh or frozen tuna. From the total tuna imports, 80 percent is canned, the remainder frozen, while fresh accounts only for a few percent.

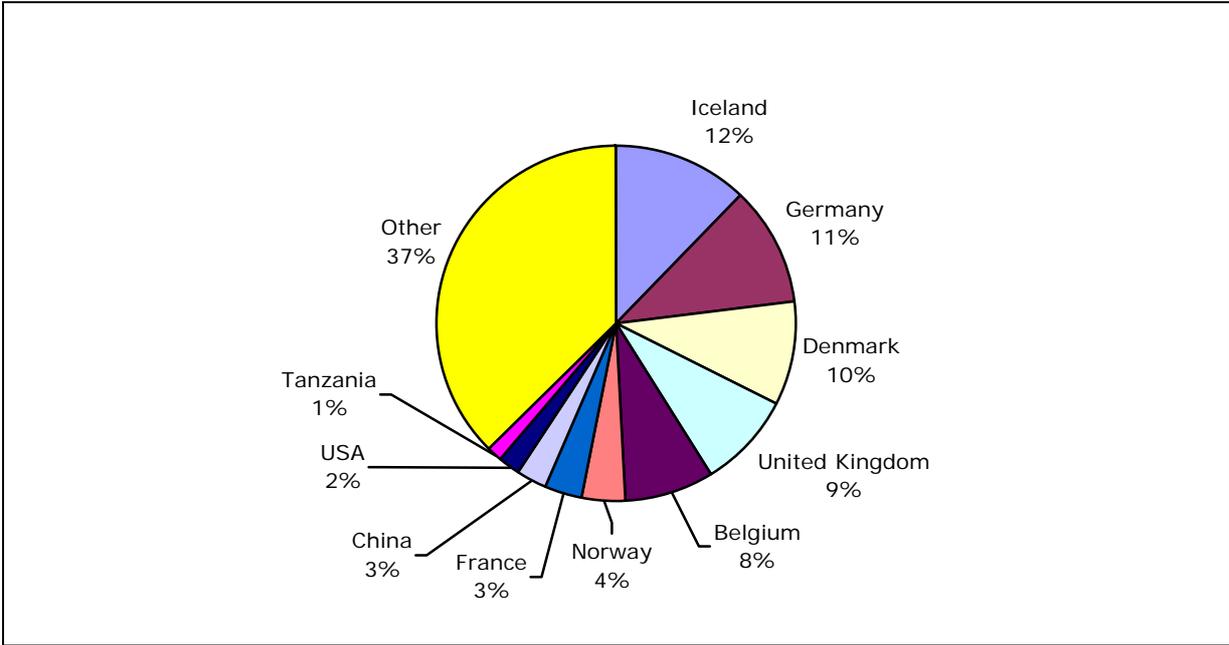
Italy is the third largest market for imported shrimps in Europe. In 2004, a shift has taken place from wild shrimp to farmed shrimp. Ecuador has taken the lead in the imports of frozen (farmed) shrimp, leaving Argentina in second place (Globefish 2005c). Frozen shrimps are by far the most important form, followed by canned and fresh.

5.1.5 The Netherlands

The imports of fishery products into the Netherlands are relatively large compared to the size of the consumer market. The Netherlands imports large quantities of fishery products for processing and re-exporting to other countries. In 2003, Dutch imports remained stable at 1.7 billion euro, while the volume increased slightly to 745 thousand tonnes (+4 percent).

Iceland, Germany, Denmark, the United Kingdom and Belgium are the leading suppliers to the Netherlands, together accounting for half of total fish imports. Besides Iceland, Norway, China, Tanzania and the United States are the main suppliers from outside of the EU (Figure 5.10). Morocco, which was among the leading suppliers from developing countries, in 2003 saw its exports to the Netherlands decline by 61 percent. Imports from Tanzania also decreased substantially.

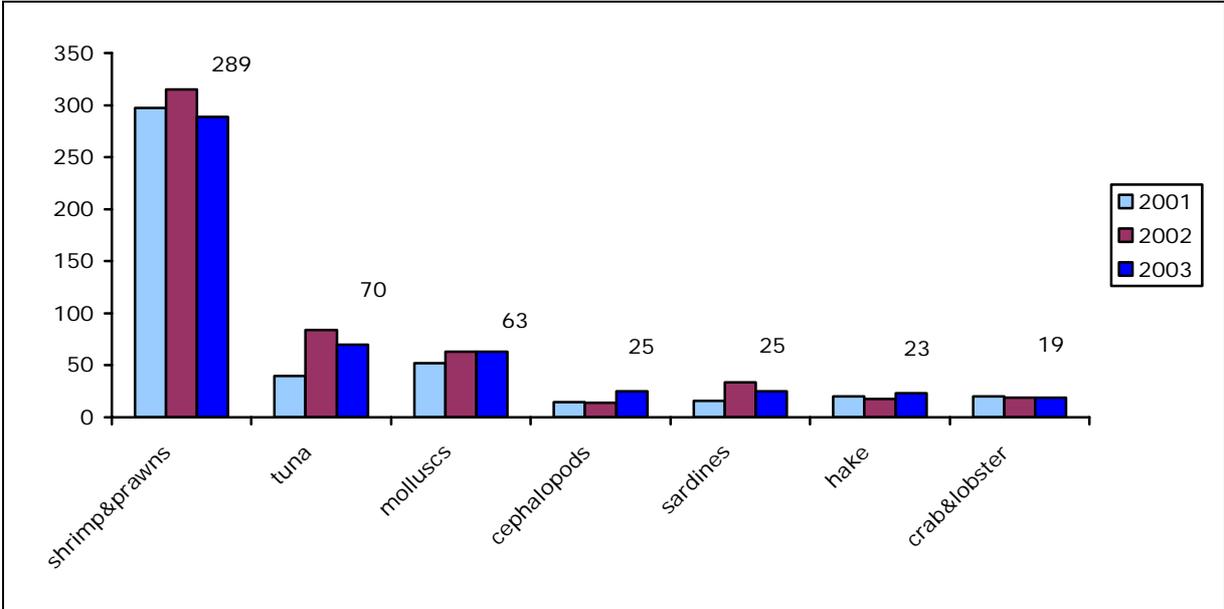
Figure 5.10 Leading suppliers of fishery product to the Netherlands, 2003, share of total imports in terms of value



Source: Eurostat 2004

Shrimps and prawns is by far the largest product group imported into the Netherlands. In 2003, the import value decreased by 9 percent to €289 million euros. Tuna comes in second place and also saw its value decrease in 2003. Mollusc imports remained stable at 53 million euros (Figure 5.11).

Figure 5.11 Import of selected fishery products into the Netherlands, by product group, 2001-2003, in million €



Note: Only the product groups most relevant to developing countries

Source: Eurostat 2004

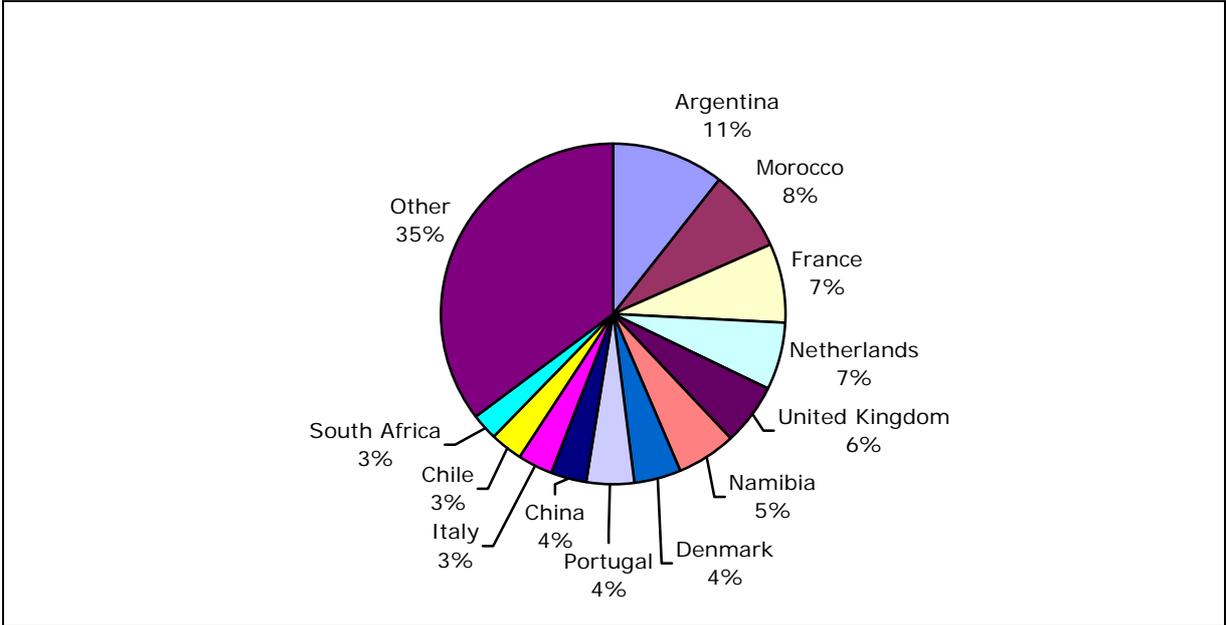
The large imports of shrimps and prawns consist of both warmwater and coldwater species. The coldwater shrimp (*Crangon crangon*) is caught in the Netherlands and generally preferred by consumers. Most of the processing used to be outsourced to Morocco, thanks to the lower labour costs of that country. Imports of these peeled shrimps are included in the figures. Dutch companies have recently started to invest in machine peeling, however, in order to peel closer to the market and thus improve the freshness of shrimp (Globefish 2005d).

5.1.6 Spain

Although the Spanish fleet has the largest tonnage in the EU, domestic production of fishery products cannot meet the domestic demand. Spain is the largest EU importer of fishery products in both value and volume. Spain is also a major exporter and has an important canning and processing industry. Recently proposed reforms in EU fisheries policy may further restrict the Spanish fleet in the future. This will result in even more reliance on farmed fish and imports.

Total fish imports amounted to € 4.4 billion in 2002, which is an increase of 4 percent compared to 2002. The value increased by 9 percent to 1.5 million tonnes. Spain sources its imports from many different countries. Argentina, Morocco, France, the Netherlands and the United Kingdom are the major suppliers. Besides Argentina and Morocco, Namibia, China, Chile and South-Africa are the other developing countries within the top fifteen suppliers (Figure 5.12).

Figure 5.12 Leading suppliers of fishery product to Spain, 2003, share of total imports in terms of value

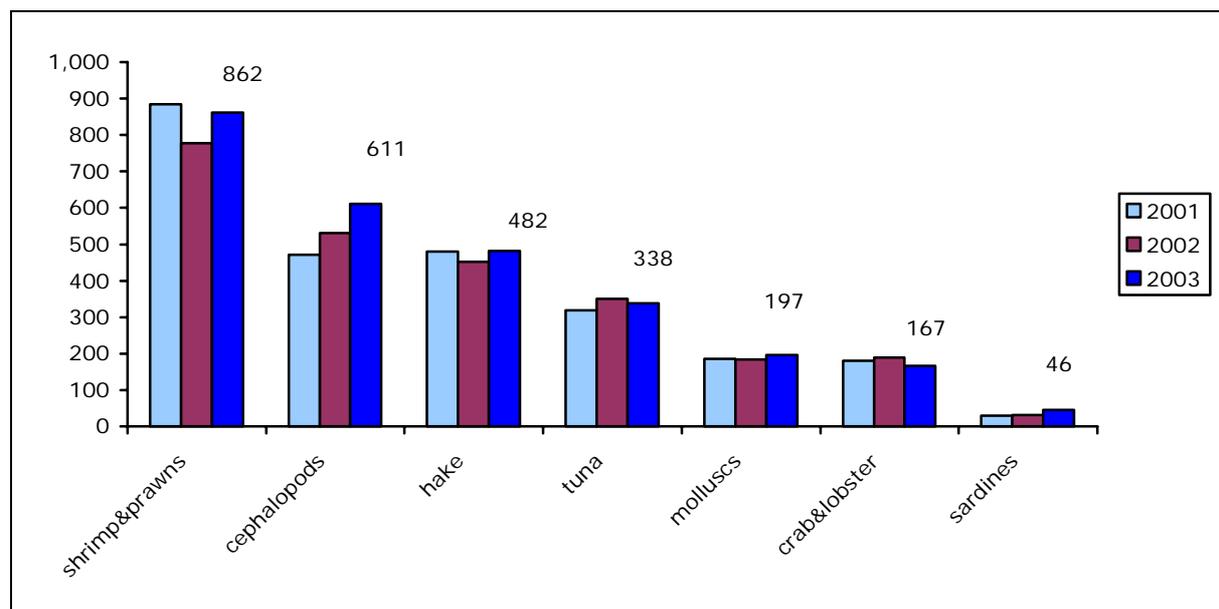


Source: Eurostat 2004

The imports from Argentina have increased by 41 percent in 2003, making it the leading supplier of fishery products. Also the imports from Namibia and China have increased but their value is small compared to Argentina.

Shrimps, prawns, cephalopods, hake and tuna are the major import groups, reflecting their importance in domestic consumption. The imports of cephalopods showed the strongest growth. After suffering a decline in 2002, imports of shrimps and prawns increased again in 2003 (Figure 5.13).

Figure 5.13 Import of selected fishery products into Spain, by product group, 2001-2003, in million €



Note: Only the product groups most relevant to developing countries

Source: Eurostat 2004

There has been a remarkable shift in Spanish imports from European suppliers to developing countries over the past few years. This is a consequence of the restrictions on landings for the domestic fleet described in Chapter 4, combined with the size and vigour of the Spanish seafood market.

Spain is the largest importer of shrimps and prawns in the EU. About 90 percent of the Spanish import value consists of frozen shrimps and prawns. Argentina, Brazil, Ecuador and Indonesia are among the leading countries exporting frozen shrimps and prawns to Spain. As in Italy, the share of farmed shrimp in the imports is rising. Argentina, which is the most important supplier of wild shrimp, saw its export value to Spain drop to the benefit of cheaper farmed shrimp from other Latin-American countries and Asia (Globefish 2005c).

Spain is also the largest importer of cephalopods; it is leading in squid imports and occupies a second place in octopus imports, after Italy. Squid and cuttlefish represent about 81 percent of cephalopod imports; octopus the remaining 19 percent. Loligo species (squid) have a share of 73 percent in the import volume of 2004 and Illex species (squid) 17 percent. Loligo is mainly supplied by the Falkland Islands (UK). India, South Africa and China are other suppliers of Loligo. Argentina is the major supplier of Illex followed by China and Korea (Globefish 2005e). Morocco supplies 43 percent of the total imported volume of octopus. Other suppliers are Mauritania, China, Senegal and Vietnam. Developing countries such as China and India have increased their supply of cephalopods to Spain, while Morocco exported substantially less cephalopods to the Spanish market in 2004 (Globefish 2005f).

Hake is considered a speciality in Spain and remains a popular fish species. This is in sharp contrast to the perception in the German market, where hake is used as a cheap input for the processing industry. Most of the import is in frozen format (60 percent), the rest is fresh or chilled. Developing countries account for 80 percent of the frozen hake imports with Namibia in the lead with 50 percent of the total volume, followed by Argentina (Globefish 2005g).

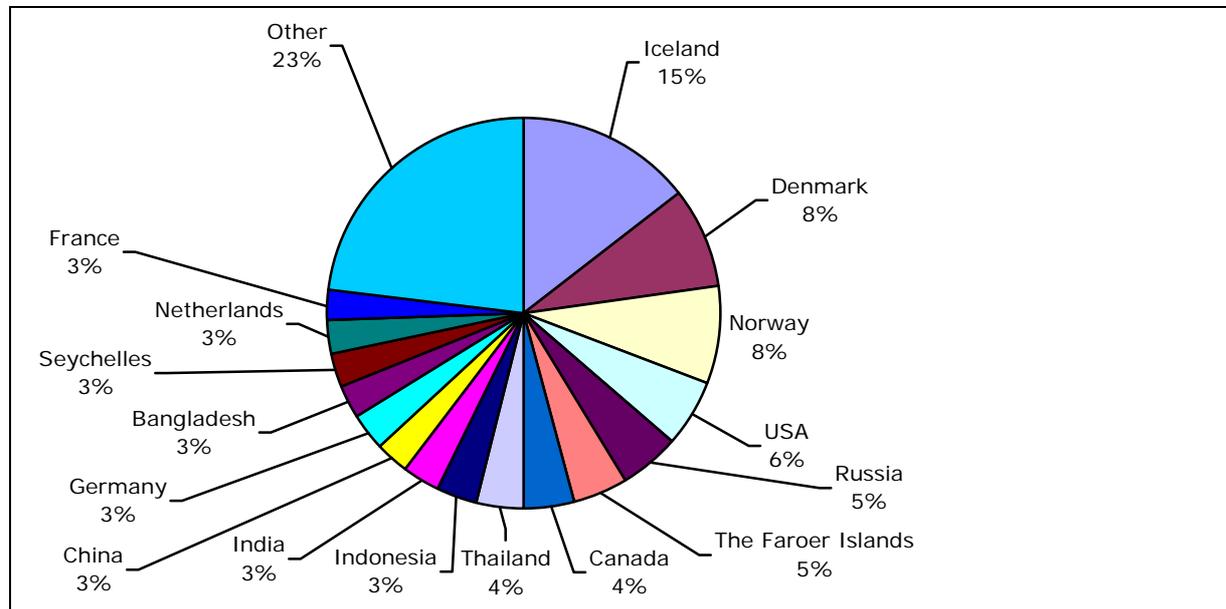
Spain has an important canning industry. Until recently, Spain was one of the largest tuna canners in Europe. In 2004, this has changed dramatically. Spanish companies have invested in canneries in Central and South America. Instead of canning the tuna themselves, Spain now imports large amounts of canned tuna from Central and South America. In 2003, Spain imported over 200 thousand tonnes of tuna for canning. In 2004, only 67 thousand tonnes of tuna were imported (Globefish 2005h).

The tuna canning industry uses frozen fish. Therefore, most of the tuna imports are frozen (about 80 percent), while almost 10 percent is fresh. More than 70 percent originates in developing countries. Leading suppliers of frozen and fresh tuna are Mexico, France, the Seychelles and the USA (globefish 2005a).

5.1.7 United Kingdom

In 2003, the United Kingdom was the fifth largest EU importer of fishery products in terms of value and the seventh in terms of volume. The total imports amounted to 2.1 billion euros at a volume of 674 thousand tonnes. Compared to 2002, the value declined by 10 percent while the volume increased by 3 percent. Iceland, Denmark, Norway and the United States the main suppliers, reflecting the British preference for cold-water species. Thailand, Indonesia and India are the only developing countries among the first fifteen suppliers (Figure 5.14). The volume of imports from the Faeroe Islands decreased by 25 percent compared to 2002. Iceland, Norway and Denmark increased their import, as well as Thailand but the volume of the latter is small. Among the countries with declining imports into the UK were the Seychelles, Bangladesh and Germany.

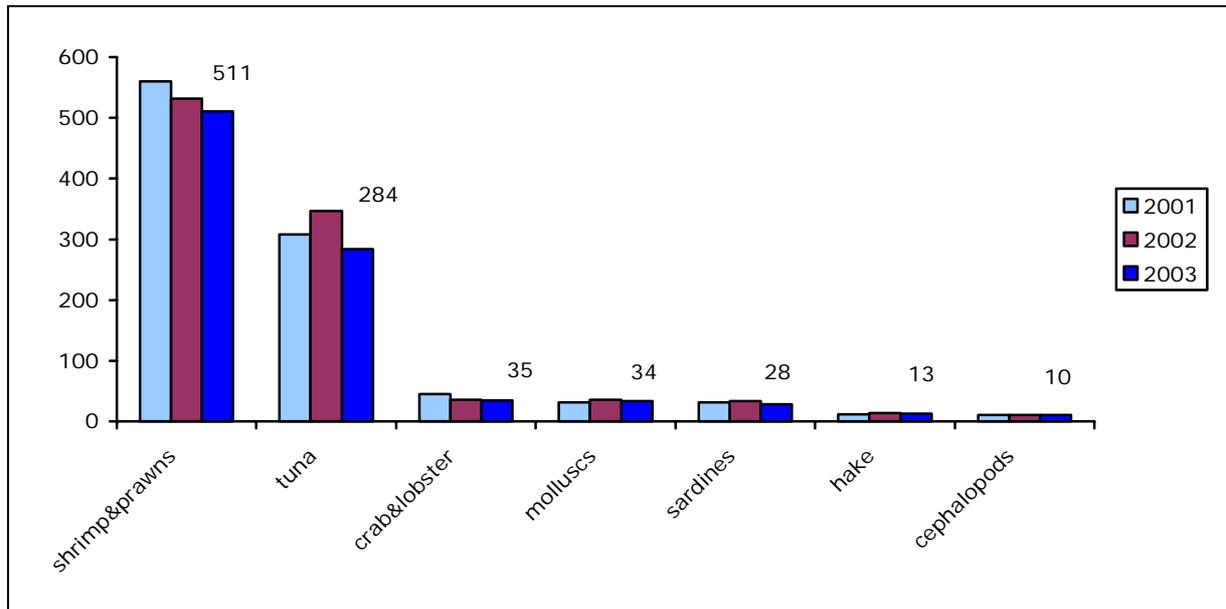
Figure 5.14 Leading suppliers of fishery products to the United Kingdom, 2003, share of total imports in terms of value



Source: Eurostat 2004

Shrimps and prawns is the largest product group imported into the United Kingdom, followed by tuna. The other product groups represent only a small share of the imports. The value of the shrimps, prawns and the tuna imports have declined in 2003 by respectively 4 and 18 percent (Figure 5.15).

Figure 5.15 Import of selected fishery products into the United Kingdom, by product group, 2001-2003, in million €



Note: Only the product groups most relevant to developing countries
Source: Eurostat 2004

The United Kingdom is the third largest importer of shrimps in the EU in terms of volume, only Spain and France import more. Although the value of shrimp imports is declining, the volume is on the rise. 53 percent of the total imports are processed shrimps, 45 percent is frozen and the remainder 2 percent is fresh or chilled. While coldwater shrimp (*Pandalus borealis*) continues to dominate British consumption, warmwater shrimp is on the increase. India, Pakistan and Bangladesh have become important suppliers of Indian white shrimp as an alternative to the coldwater shrimp. The import market of coldwater shrimp is dominated by Iceland, but Norway and Canada are on the increase at the expense of Iceland (Globefish 2005c).

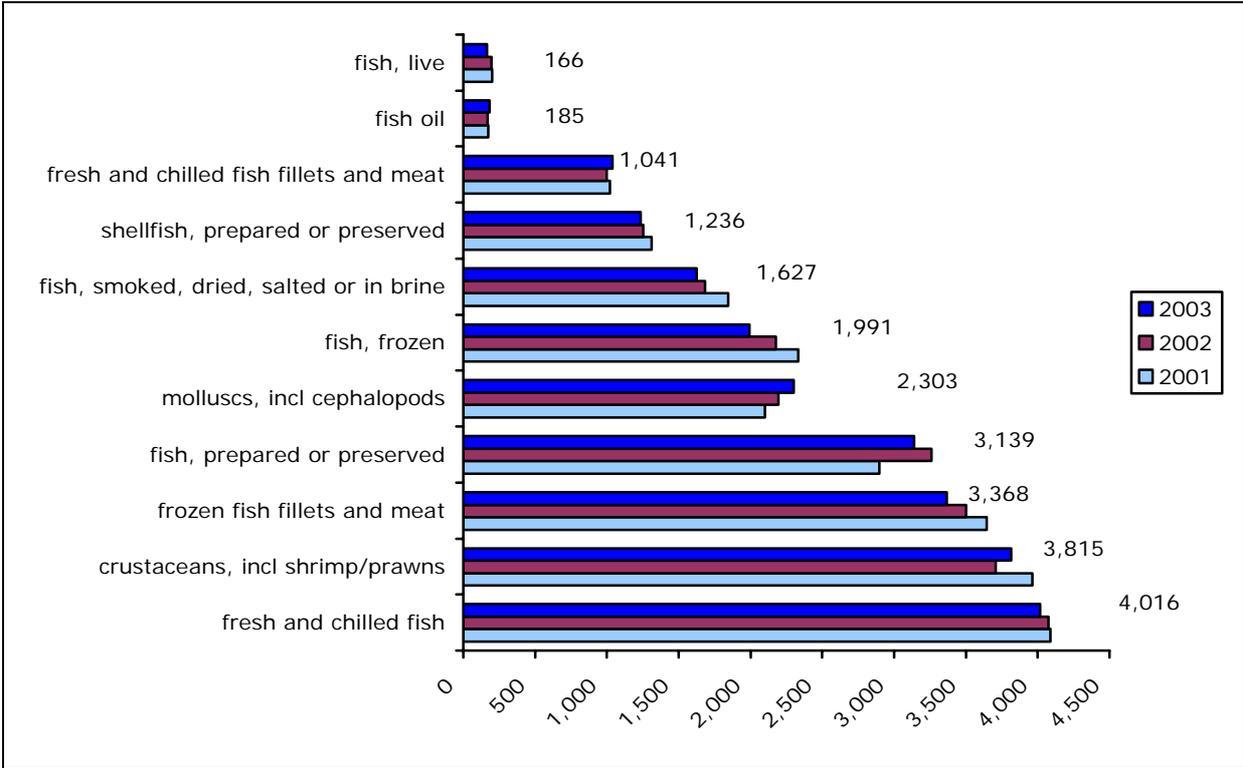
For years, the market for canned tuna in the UK has been the largest in Europe. Of all canned fish products, tuna has the largest share in the UK sales (67 percent). Tuna is predominantly sourced in developing countries, with the Seychelles, Mauritius, Ghana and Thailand as the leading suppliers. This group is followed by Spain, the main European supplier of tuna. Just as in Germany and the Netherlands nearly all tuna imported to the United Kingdom is canned, with frozen and fresh or chilled accounting for only a few percent (Globefish 2005a).

5.2 Imports by product group

This section starts with an overview of the total imports of fishery products according to the codes of the Harmonised System. Subsequently, the focus will be on those product groups of most relevance to developing countries.

In 2003, fresh and chilled fish is the largest imported product group in terms of value. Imports of crustaceans, of frozen fish fillets and fish meat, and of prepared or preserved fish are also substantial. The imports of fresh and chilled fish declined slightly by 1 percent in 2003 compared to 2002, while imports of crustaceans increased by 3 percent and molluscs (including cephalopods) increased by 5 percent. Other products groups that increased in 2003 are fresh and chilled fish fillets, and fish oils (Figure 5.16).

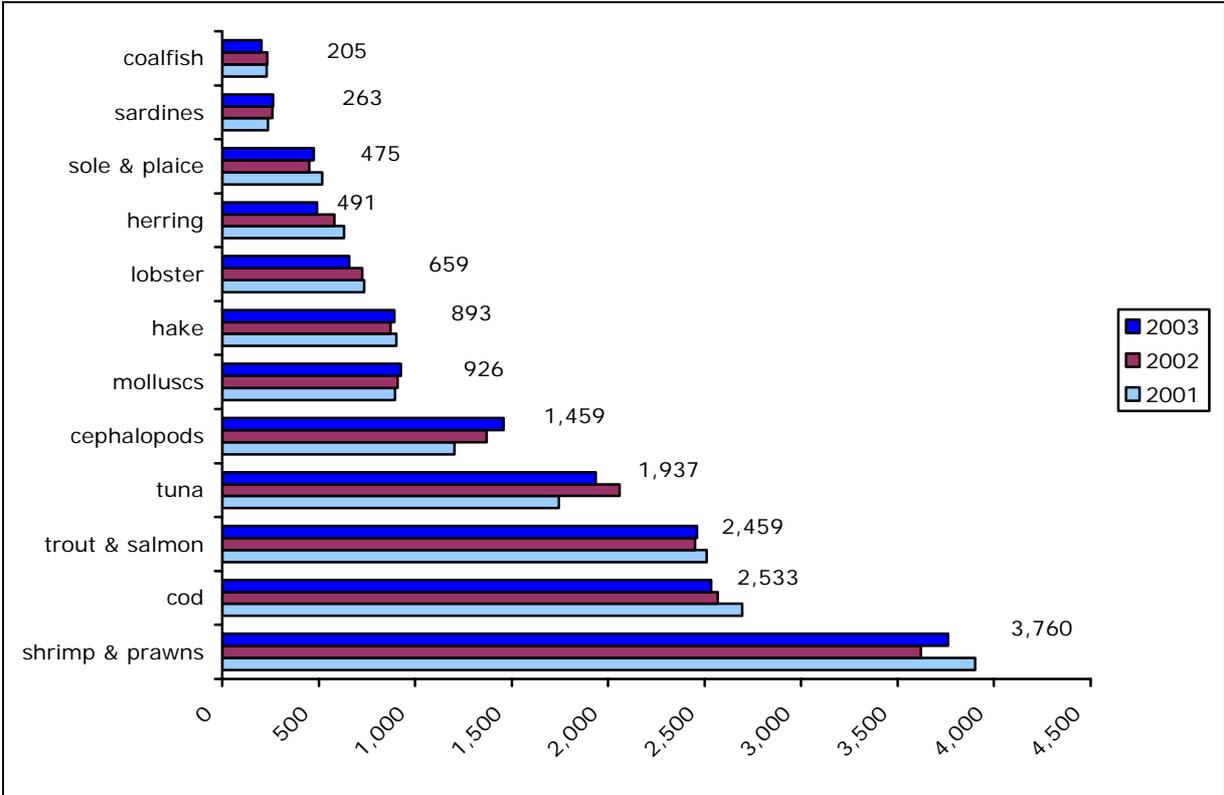
Figure 5.16 Import of fishery products into the EU by product group and method of preservation, 2001-2003, in million €



Source: Eurostat 2004

When looking at the groups of species separately, regardless of their preservation, shrimps and prawns is the largest category of fishery products imported into the EU, followed by cod, trout and salmon, and tuna. Especially shrimps and prawns, cephalopods, molluscs and hake saw their import value increase (Figure 5.17).

Figure 5.17 Imports of fishery products into the EU by groups of species, 2001-2003, in million €



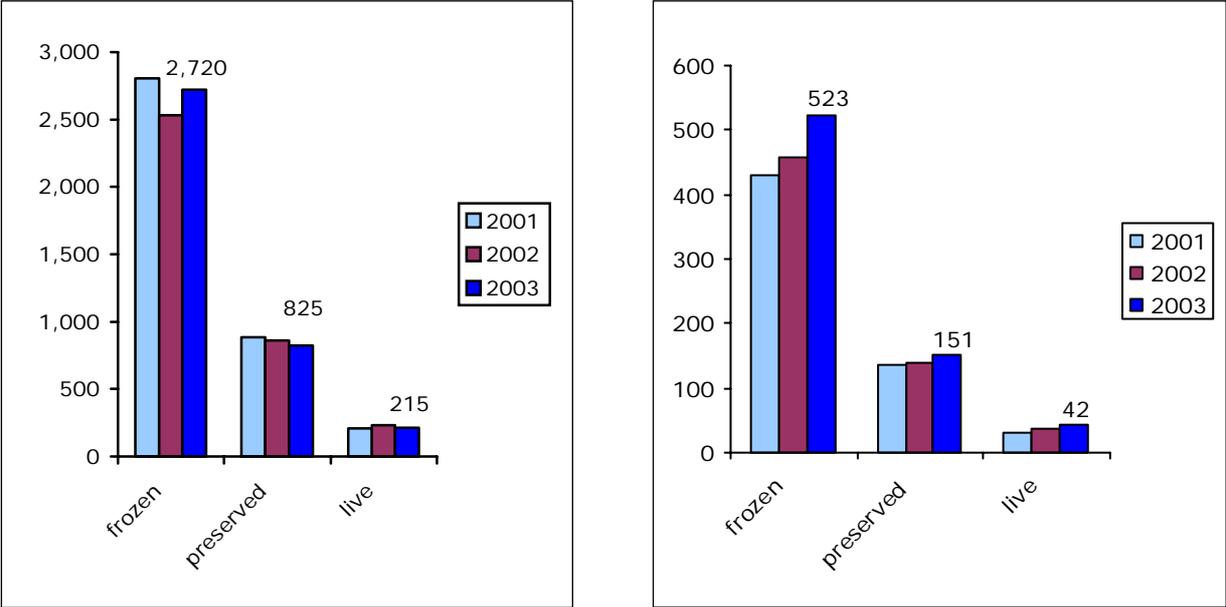
Source: Eurostat 2004

Although trout, salmon, cod, sole, plaice, coalfish, herring, coalfish and pollack are important in the fish trade, they do not live in tropical waters. For that reason they will not be included in the following sections, which focus on species most relevant to developing countries: shrimps and prawns, tuna, cephalopods, hake, crab and lobster, molluscs, and sardines.

5.2.1 Shrimps and prawns

As mentioned before, shrimps and prawns is the largest group of imported fishery products. In 2003 volume imports continued to increase in each of the major forms. But due to declining prices, the overall growth in value was less than the growth in volume. The predominant form is frozen. The volume of frozen shrimps and prawns increased by 14 percent, preserved increased by 9 percent and live by 11 percent. The value of the imports increased for frozen shrimps and prawns by 7 percent but decreased for preserved by 4 percent and live by 7 percent (Figure 5.18).

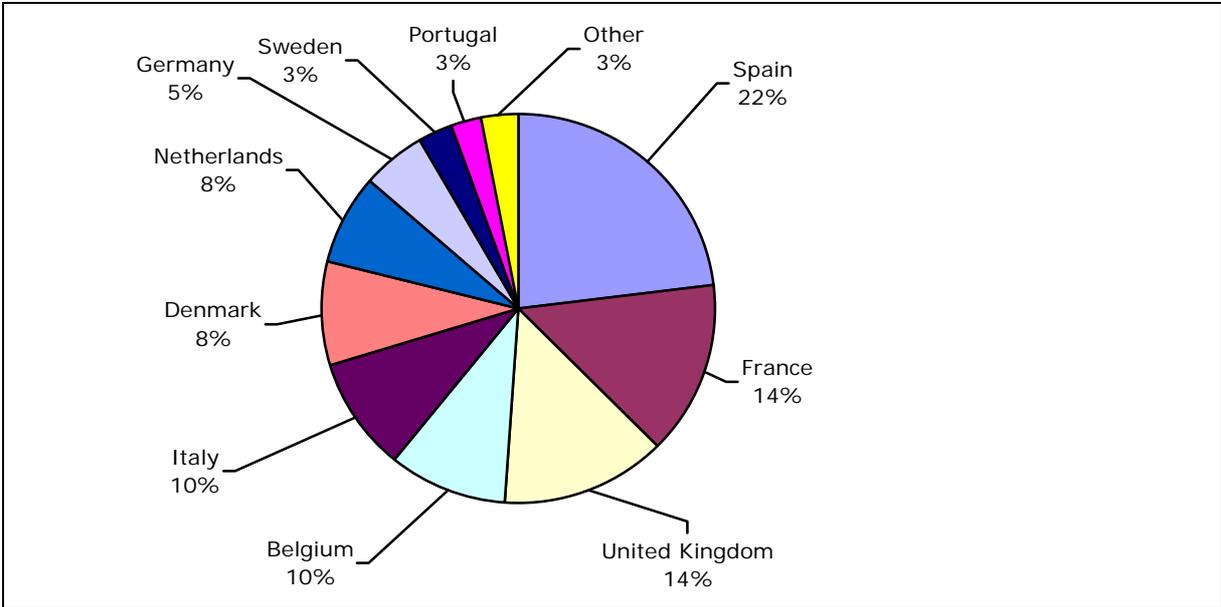
Figure 5.18 Imports of shrimps and prawns into the EU by value in million € (left side) and by volume in 1,000 tonnes (right side), 2001-2003



Source: Eurostat 2004

Spain is the major importer of shrimps and prawns, taken account for 20 percent of all imports, followed by France, the United Kingdom, Belgium and Italy (Figure 5.19).

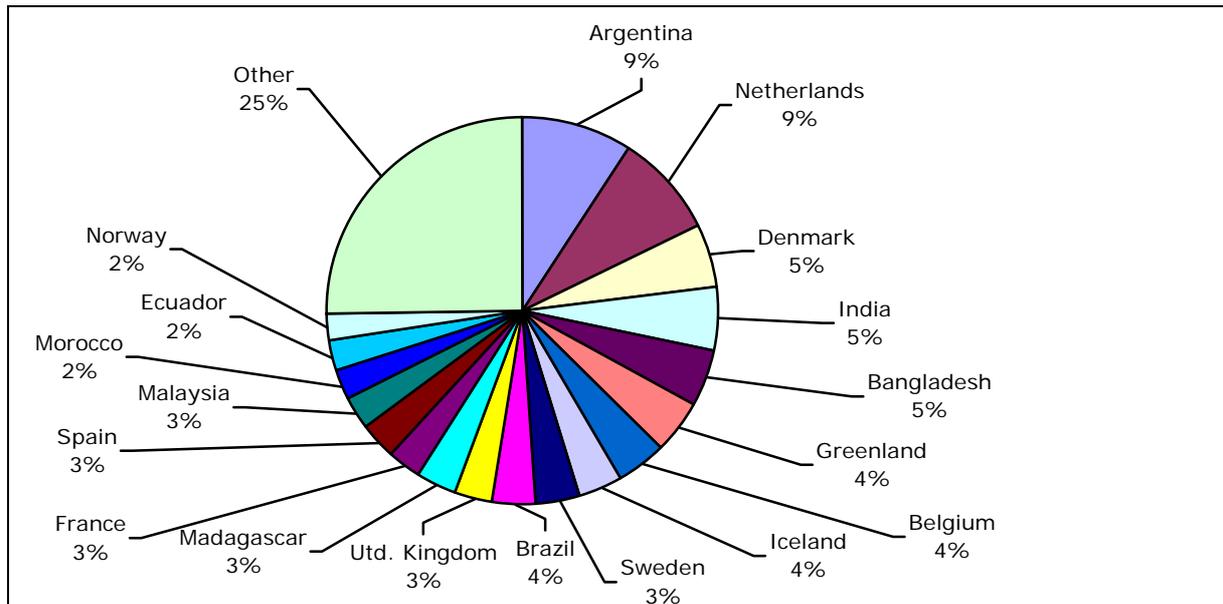
Figure 5.19 Imports of shrimps and prawns per EU member, share of total import value, 2003



Source: Eurostat 2004

The main suppliers of shrimps and prawns to the EU are Argentina and the Netherlands, followed by Denmark, India and Bangladesh, Greenland, Belgium and Iceland (Figure 5.20). Developing countries generally supply warmwater shrimps and prawns in frozen form; European countries supply fresh and chilled coldwater shrimps.

Figure 5.20 Supplying countries of shrimps and prawns to the EU, share of total import value, 2003

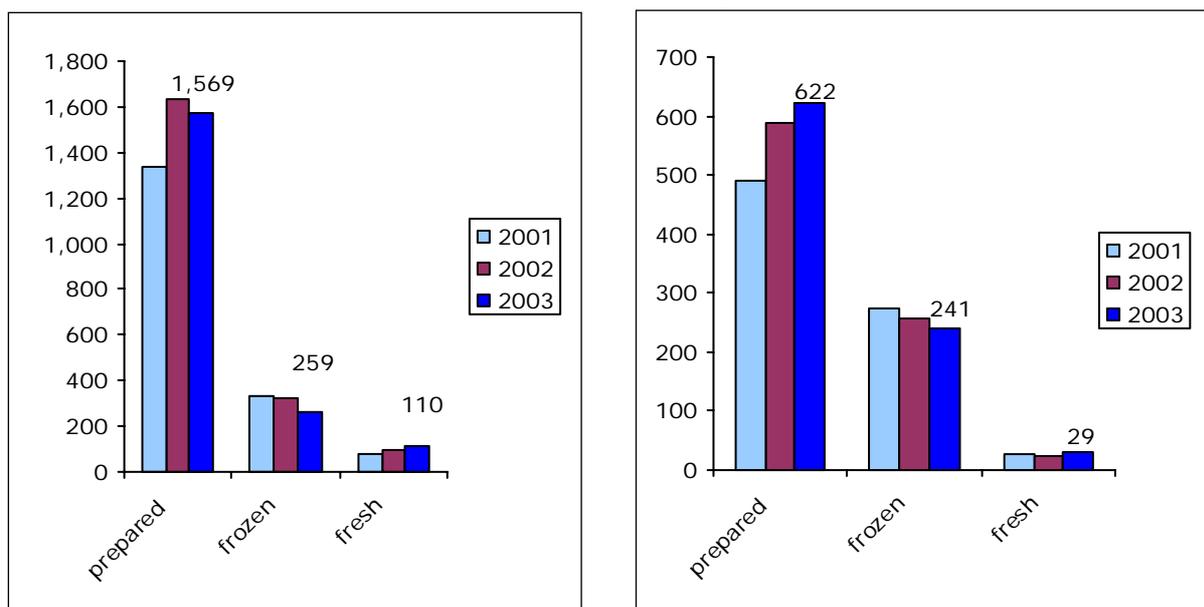


Source: Eurostat 2004

5.2.2 Tuna

In 2003, the import values of preserved (mainly canned) tuna and frozen tuna (for canning industry) decreased by respectively 4 and 20 percent. However, the volume of preserved tuna has increased by 5 percent and the volume of frozen tuna decreased by 6 percent. The sharp decline in frozen tuna imports is related to the decreasing imports into Spain mentioned earlier. Spain has invested heavily in canning industries in Central and South America and imports the canned product at lower prices. Fresh tuna is a small but growing segment in the tuna imports. Import values in 2003 went up by 10 percent and the volume by 16 percent (Figures 5.21).

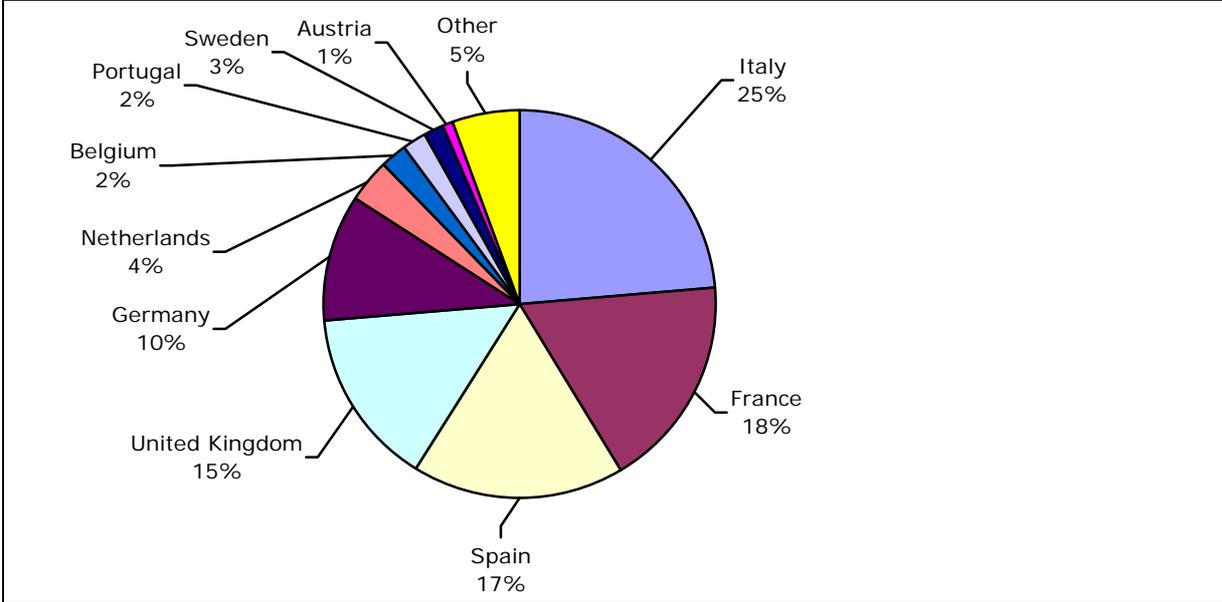
Figure 5.21 Imports of tuna into the EU by value in million € (left side) by volume in 1,000 tonnes (right side), 2001-2003



Source: Eurostat 2004

Italy is the largest importer of tuna and imports have been on the increase the last years. Other major importers are France, Spain, the United Kingdom and Germany. The other countries have much smaller imports. Canned tuna remains a favoured fish commodity in all European markets (Figure 5.22).

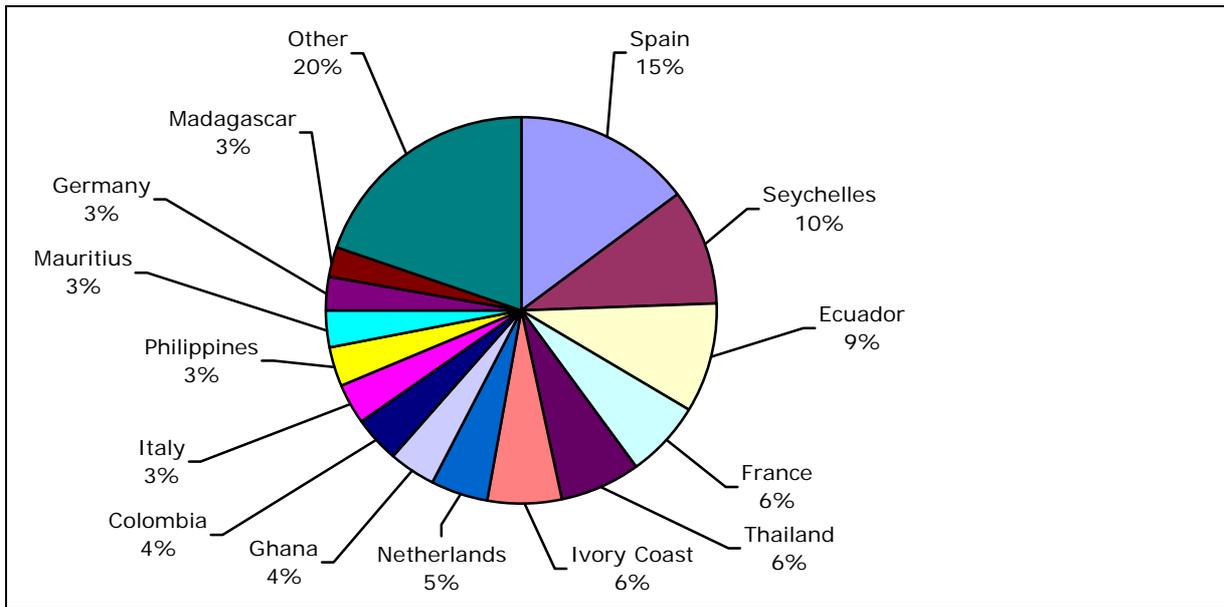
Figure 5.22 EU-15 imports of tuna per country, share of total import value, 2003



Source: Eurostat 2004

Spain and to a lesser extent France are both major importers and suppliers of tuna. Both countries import frozen tuna for canning and subsequent distribution. Other major suppliers are the Seychelles, Ecuador, Thailand and Ivory, which are all developing countries (Figure 5.23). Due to the longer distances to European ports, these countries mainly supply canned and frozen tuna. Their exports of fresh or chilled tuna are small. Ecuador and Thailand increased their supply of tuna to the EU in 2003 by respectively 6 and 17 percent. The Seychelles and Ivory Coast experienced a decline in exports to the EU by respectively 8 and 23 percent.

Figure 5.23 Supplying countries of tuna to the EU, share of total import value, 2003

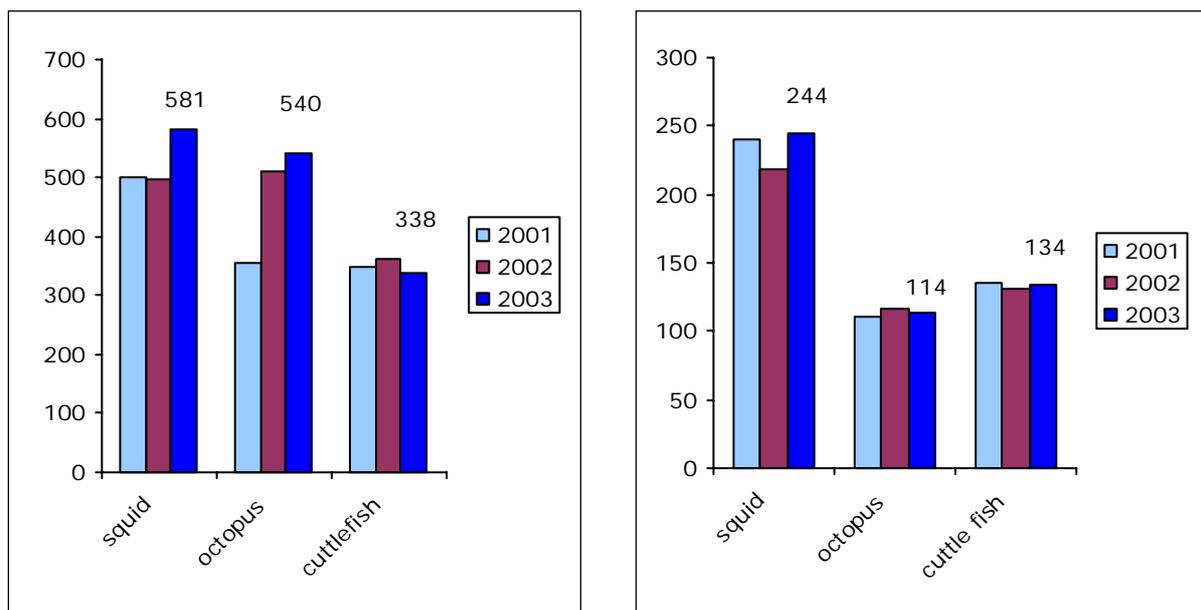


Source: Eurostat 2004

5.2.3 Cephalopods

Both the value and the volume of the imports of cephalopods into the EU increased in 2003. The volume increased by 2 percent while the value increased by 17 percent. For octopus, the volume decreased by 3 percent while the value increased by 6 percent. In 2003 and 2004, the supply of octopus was limited resulting in increased prices for octopus (Globefish 2005f). Octopus is the smallest category of cephalopods in volume but almost the largest in value (figures 5.24).

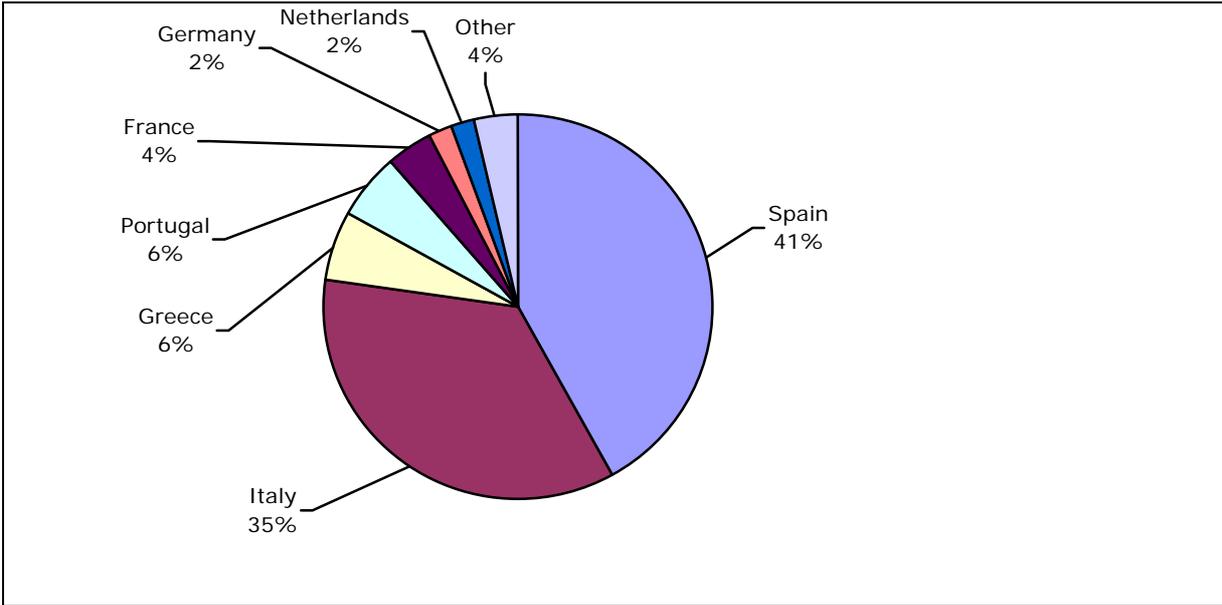
Figure 5.24 Imports of cephalopods into the EU in terms of value in million € (left side) and in terms of volume in 1,000 tonnes (right side), 2001-2003



Source: Eurostat 2004

Italy and Spain are by far the major cephalopod importers, together accounting for three quarters of the market. The imports of cephalopods into Spain have increased by 18 percent in 2003, making Spain the largest importer. Spain is especially strong in imports of squid. In 2002, Italy was the largest importer with and expressed a strong preference for octopus. Greece, Portugal and France are next, with the northern European countries importing only a few percent (Figure 5.25). This distribution reflects clear differences in consumption patterns between southern and northern parts of Europe.

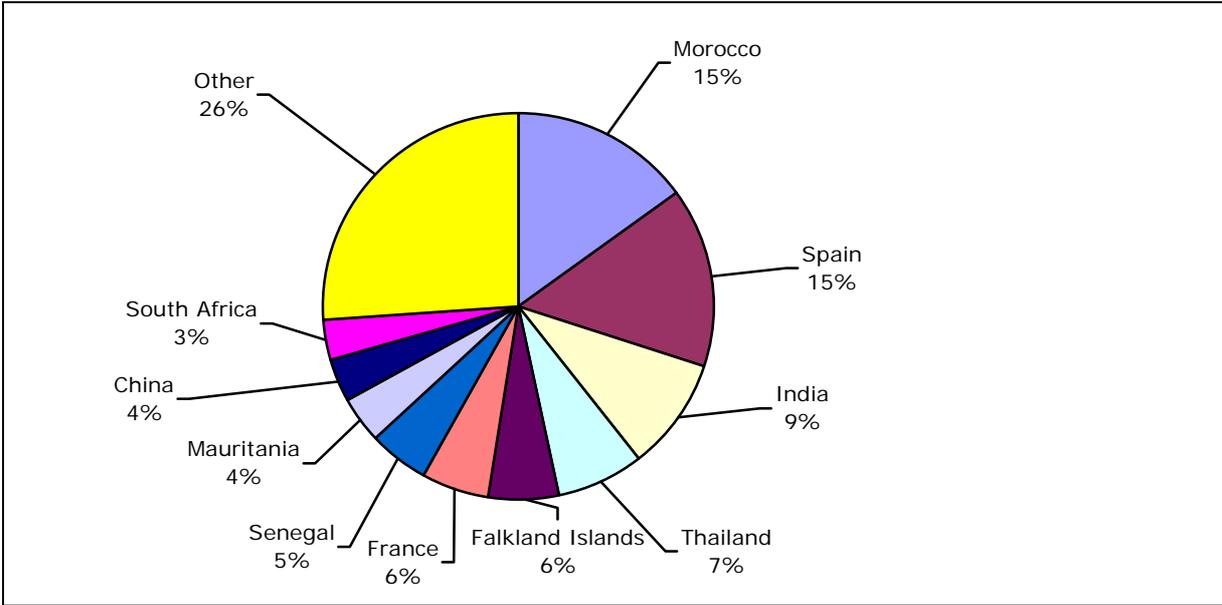
Figure 5.25 Imports of cephalopods per EU member, share of total import value, 2003



Source: Eurostat 2004

Although Morocco is still the major supplier of cephalopods to the EU, its value has declined by 17 percent compared to 2002. Other major suppliers are India, Thailand, the Falkland Islands and France. Especially the Falkland Islands gained market share in EU, increasing its exports to the EU by 86 percent in 2003. Also India and Thailand have managed to increase their exports to the EU market. Other major developing countries supplying this market are Senegal, Mauritania, China and South Africa (Figure 5.26). Developing countries account for more than half of total supply of cephalopods to the EU.

Figure 5.26 Supplying countries of cephalopods to the EU, share of total import value, 2003

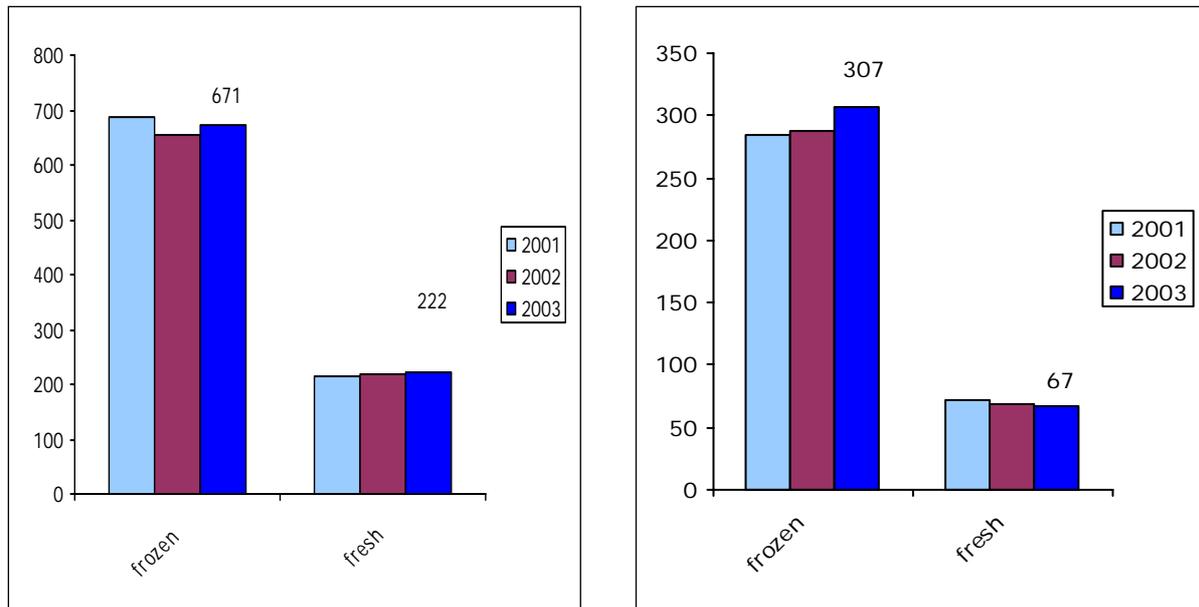


Source: Eurostat 2004

5.2.4 Hake

Hake imports in 2003 increased by 2 percent to €893 million and the volume of the imports increased by 5 percent to 374 thousand tonnes. More than 80 percent of the volume was imported in frozen form, the remainder was fresh (Figures 5.27). Most of the imported hake originated from developing countries.

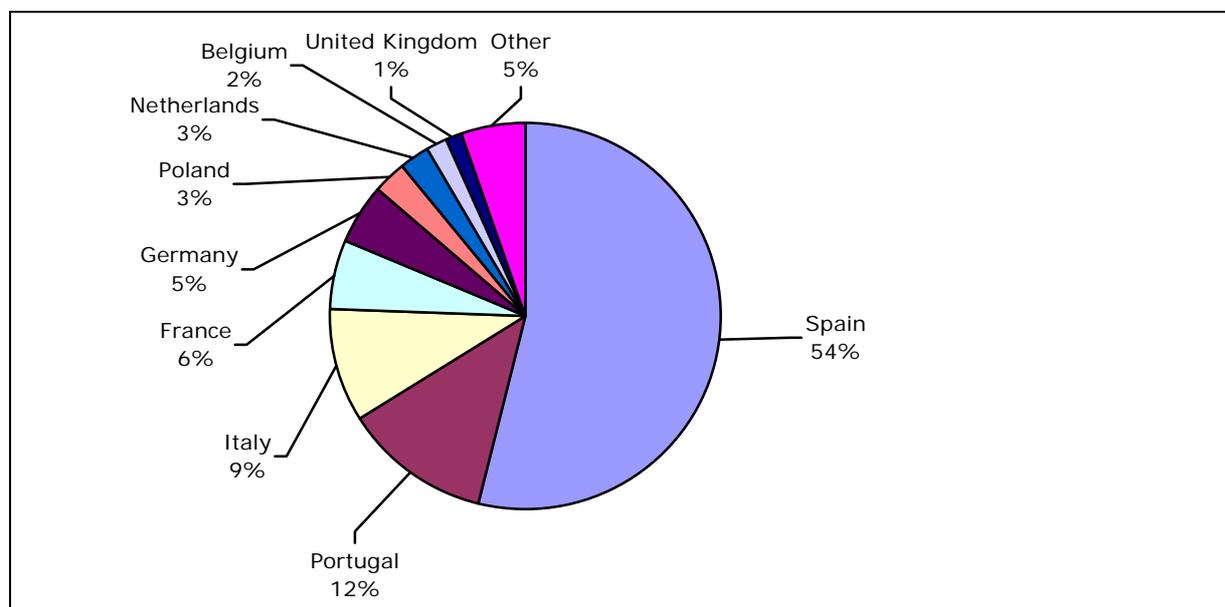
Figure 5.27 Imports of hake into the EU by value in million € (left side) and by volume in 1,000 tonnes (right side), 2001-2003



Source: Eurostat 2004

In 2003, Spain imported 54 percent of all hake imports in terms of value. Italy, Portugal and Germany are important importers as well but at some distance from Spain (Figure 5.28). In Spain and Portugal, hake is considered a speciality fish while in Germany it is commonly used in the processing industry.

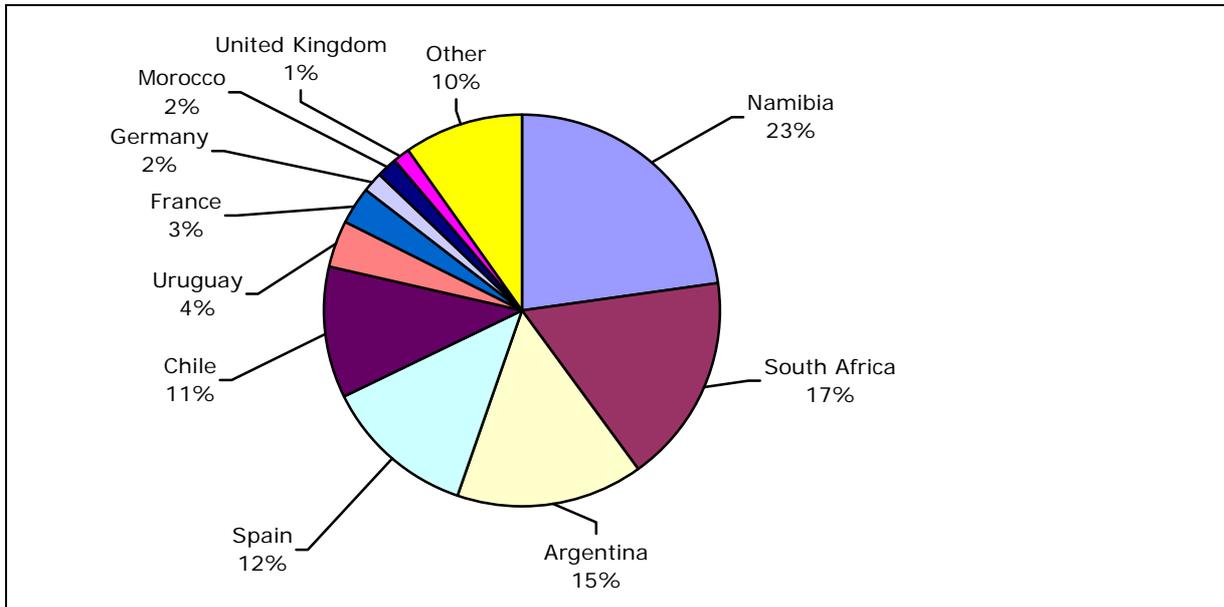
Figure 5.28 Imports of hake per EU member, share of total import value, 2003



Source: Eurostat 2004

Namibia is the largest supplier of hake, especially for the Spanish market, but it is followed at close range by South-Africa. Spain, which is a major importer, also supplies substantial amounts of hake to the EU market. Other exporting countries of importance are Argentina and Chile. In 2003, Argentina increased its export to the EU by 52 percent, while Chile exported 4 percent less than the year before (Figure 5.29).

Figure 5.29 Supplying countries of hake to the EU, share of total import value, 2003

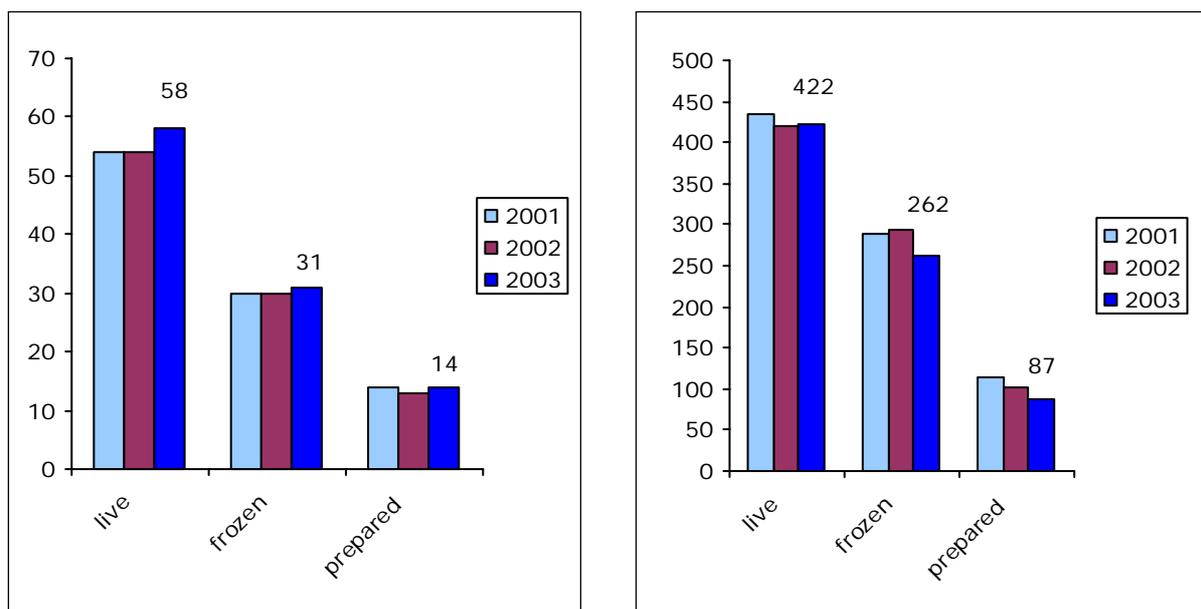


Source: Eurostat 2004

5.2.5 Crab & lobster

In 2003, value imports of crab and lobster went down by 5 percent to 771 million euros, while the imported volume went up by 6 percent to 103 thousand tonnes. The import value of frozen and prepared crab and lobster suffered the largest decline. Live crab and lobster remained stable in value, but the imported volume increased by 8 percent. Live crab and lobster are the largest import category, followed by frozen and prepared (Figures 5.30). The American lobster (*Homarus* species) is most important in the live segment. Other species of importance are crawfish and rock lobster.

Figure 5.30 Imports of crab and lobster into the EU by value in million € (left

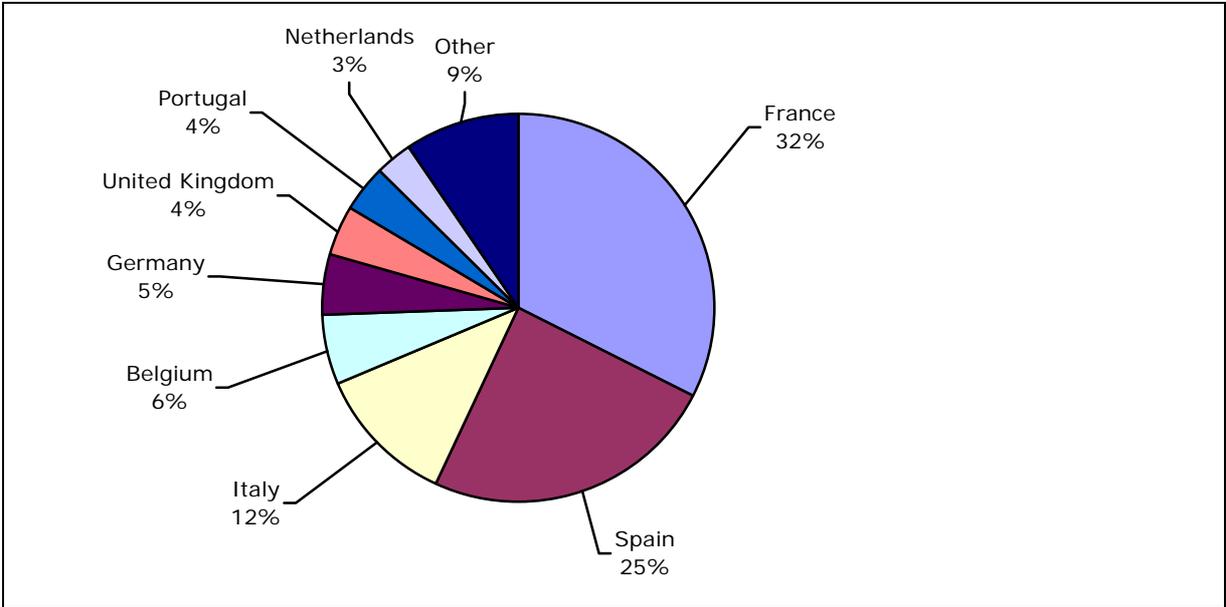


side) and by volume in 1,000 tonnes (right side), 2001-2003

Source: Eurostat 2004

France, Spain and Italy are the leading importers, accounting for almost 70 percent of the market. Belgium stands out because imports are large for a small country with average fish consumption (Figure 5.31). Generally speaking, crab and lobster are consumed during special occasions such as Christmas, and in restaurants. It is a high-priced fishery product which is appreciated differently in different countries.

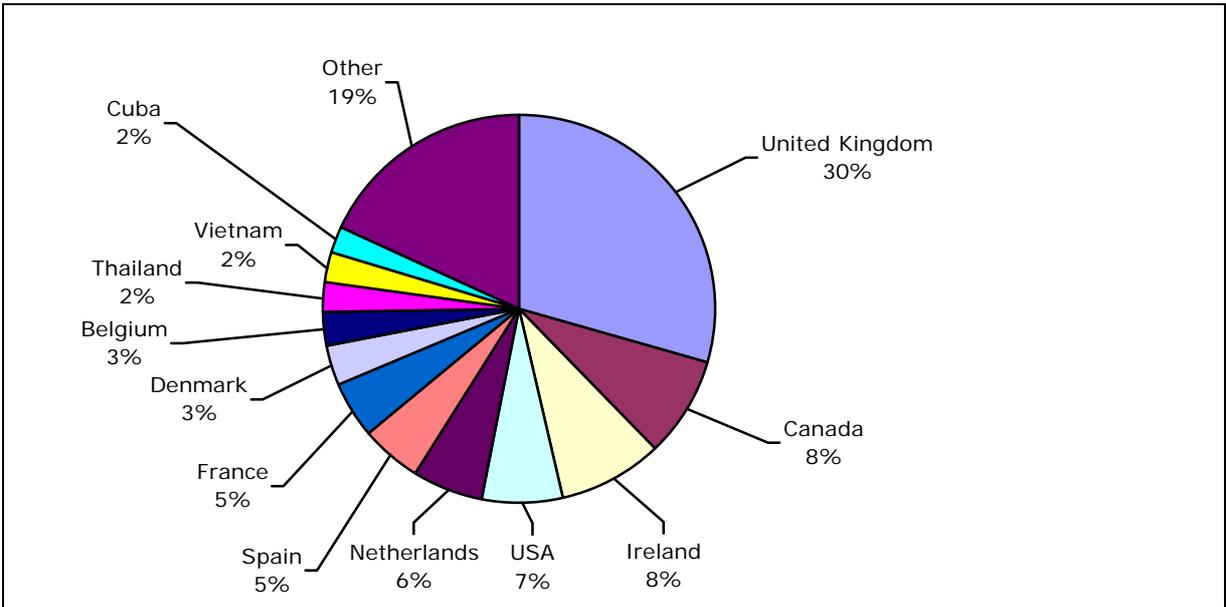
Figure 5.31 Imports of crab and lobster per EU member, % of value, 2003



Source: Eurostat 2004.

The supply of crab and lobster into the EU is dominated by the United Kingdom with Canada, Ireland and the United States following at some distance. The UK increased its import in 2003 by 36 percent at the expense of Canada and the USA, who suffered declines. Imports from Ireland increased as well (Figure 5.32). Thailand, Cuba and Vietnam are the first developing countries with a share of 2 percent each.

Figure 5.32 Supplying countries of crab and lobster to the EU, share of total import value, 2003

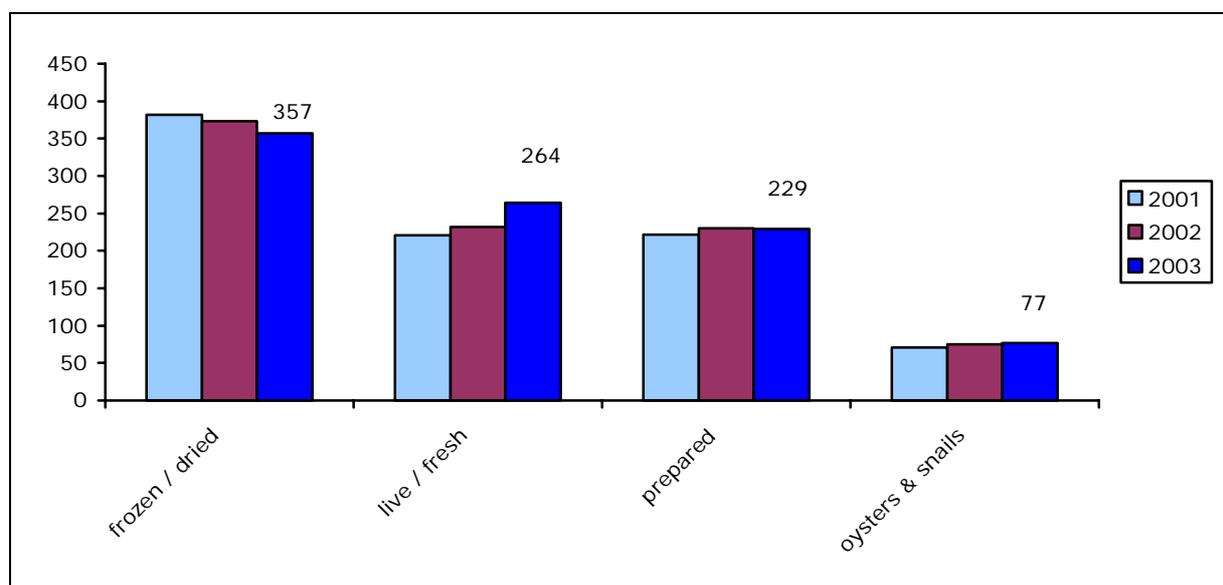


Source: Eurostat 2004

5.2.6 Molluscs

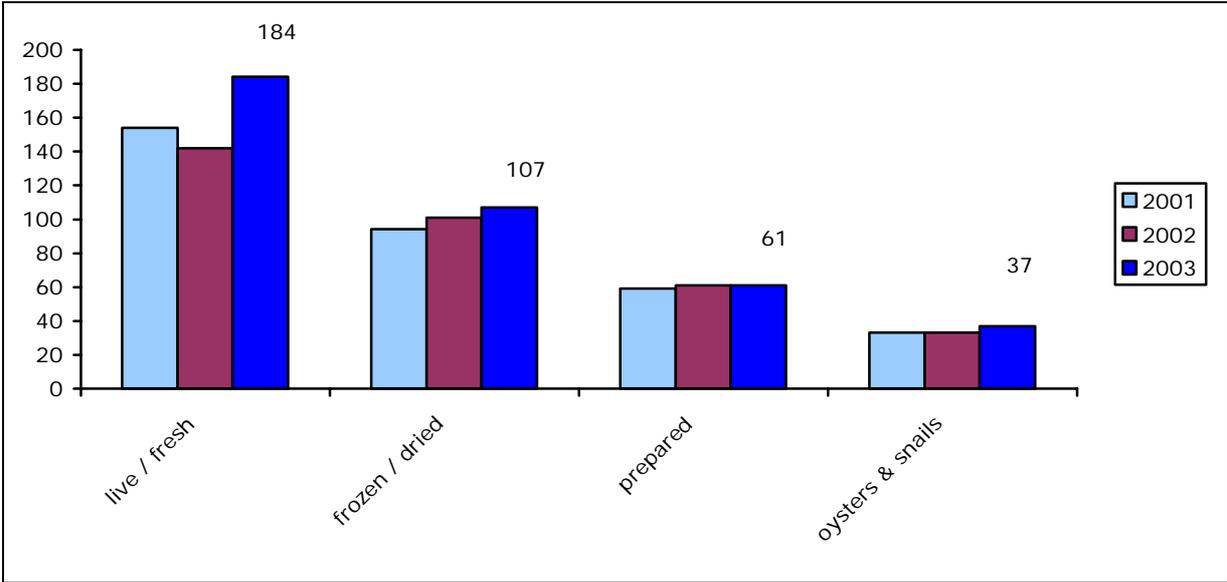
In 2003, the value of mollusc imports (other than cephalopods) increased by 2 percent, amounting to 927 million euro. Frozen and dried molluscs are the largest category in terms of value, but their import value declined by 4 percent. The import value of live and fresh molluscs increased by 14 percent. Imports of prepared molluscs remained stable and oysters and snail experienced a slight increase by 3 percent. In terms of volume, live and fresh molluscs are the largest category and import has increased by 30 percent. Oysters and snails are the second largest grower in terms of volume with an increase of 12 percent followed by frozen and dried molluscs (+6 percent). The imported volume of prepared molluscs remained stable (figures 5.33 and 5.34). Scallops and mussels are the major imported species.

Figure 5.33 Imports of molluscs (excluding cephalopods) into the EU by value, 2001-2003, in million €



Source: Eurostat 2004

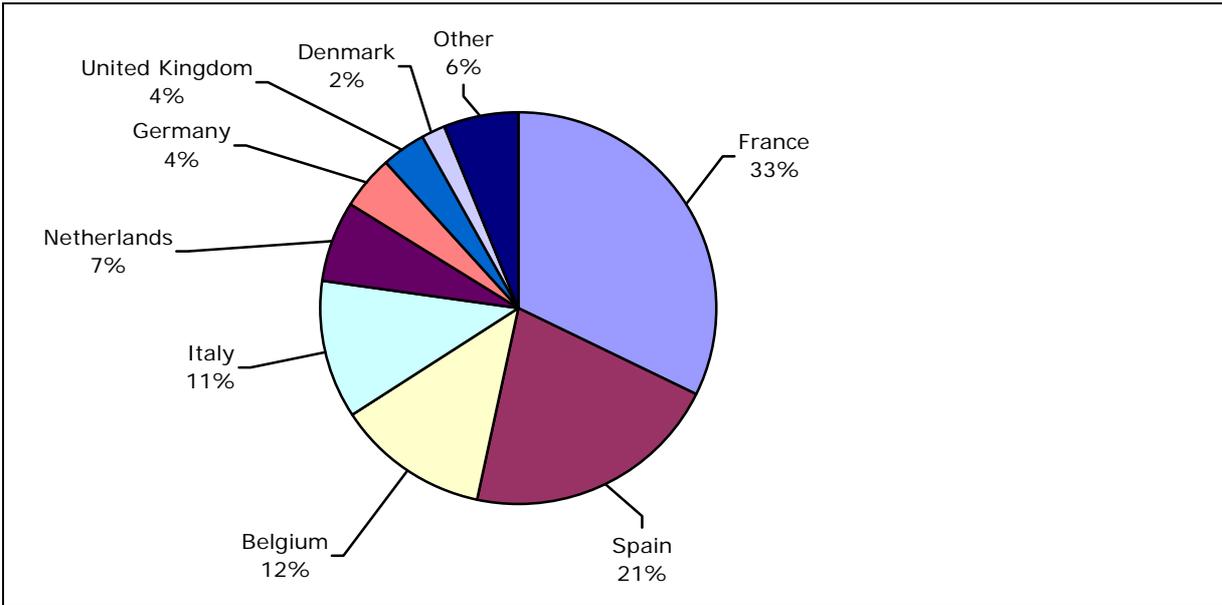
Figure 5.34 Imports of molluscs (excluding cephalopods) into the EU by volume, 2001-2003, in 1,000 tonnes



Source: Eurostat 2004.

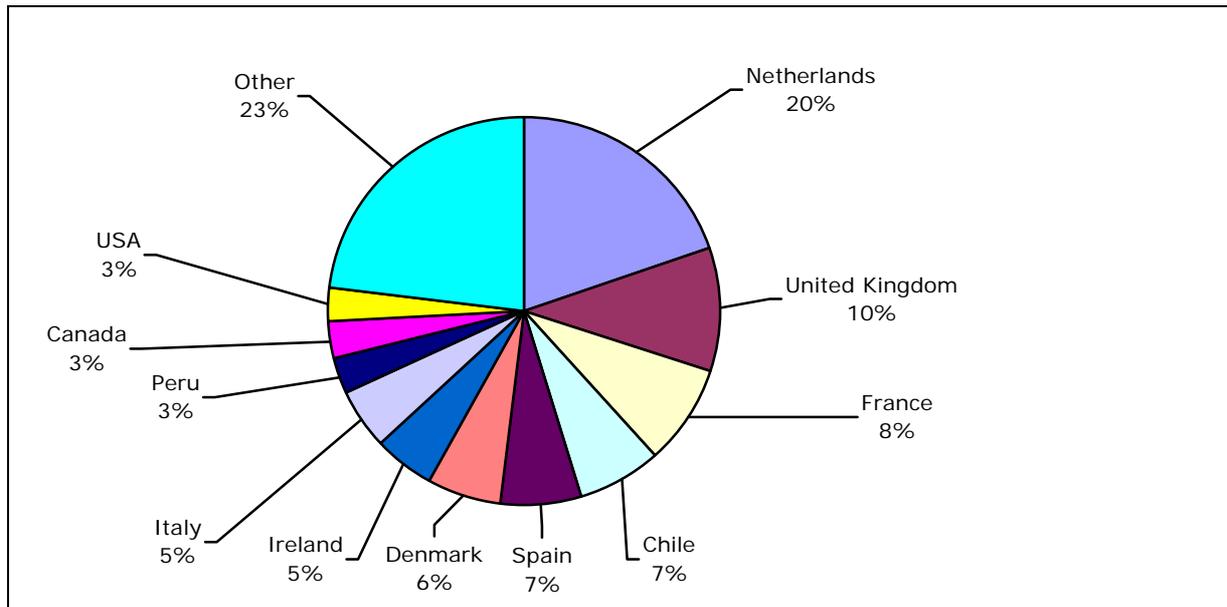
France and the Netherlands are dominant importers of molluscs, together accounting for more than 50 percent of EU imports (Figure 5.40). Part of their trade is oriented to re-exporting to other EU countries. The Netherlands is the leading supplier of molluscs to the EU, in particular blue mussels. The United Kingdom, France, Spain, Denmark and Italy are other suppliers from the EU, but all saw their supplies to the EU market decline, especially Italy (-33 percent). Developing countries account for less than 20 percent of imports of molluscs, although their share is increasing. Chile and Peru are the major developing country suppliers. Developing countries are strong in scallops, while their oyster exports are negligible (Figure 5.35).

Figure 5.35 Imports of molluscs (excluding cephalopods) per EU member, % of value, 2003



Source: Eurostat 2004

Figure 5.36 Supplying countries of molluscs to the EU, share of total import value, 2003

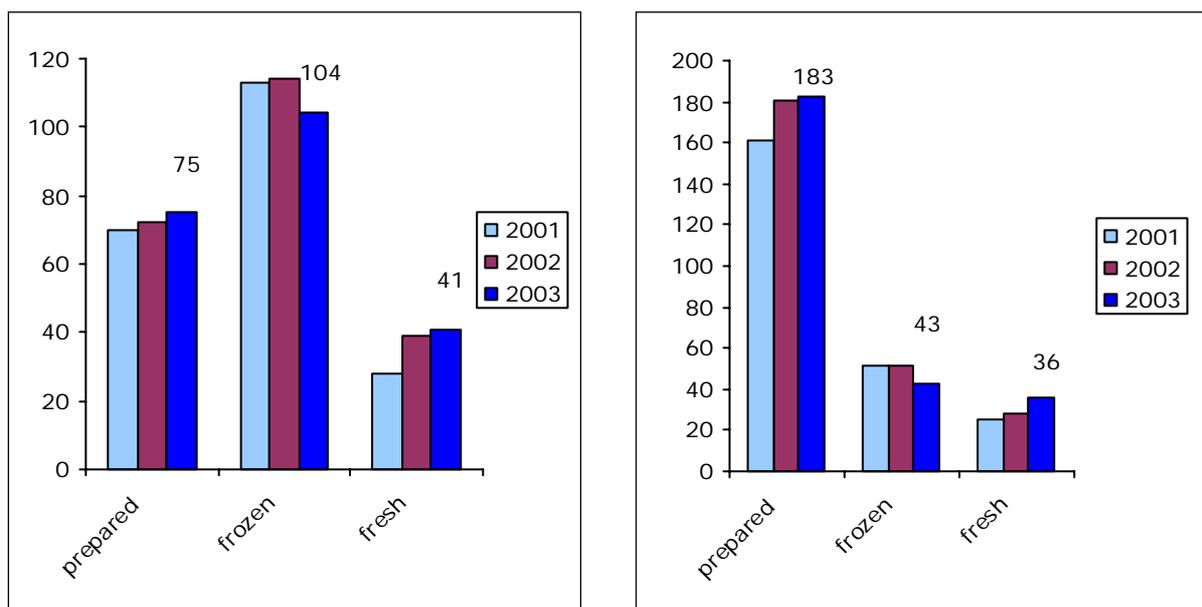


Source: Eurostat 2004

5.2.7 Sardines

Total value imports of sardines increased in 2003 by 1 percent, reaching € 262 million. The volume decreased by 2 percent to 220 thousand tonnes. Preserved sardines is the largest product form in terms of value representing 70 percent of the total but in terms of volume only 34 percent. Preserved sardines have a higher value than frozen or fresh sardines. Increased imports are recorded for both prepared (+1 percent in value; +4 percent in volume) and fresh sardines (+28 percent in value and 5 percent in volume), while frozen sardines lost both in value and volume (figures 5.37).

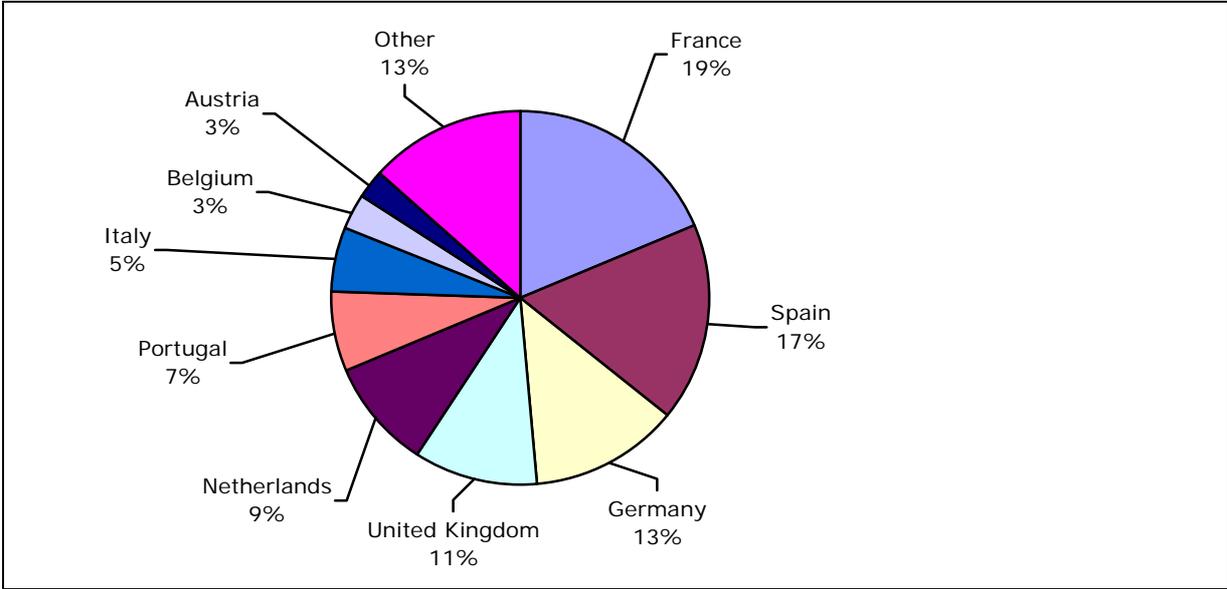
Figure 5.37 Imports of sardines into the EU by value in million € (left side) and by volume in 1,000 tonnes (right side), 2001-2003



Source: Eurostat 2004

France, Spain, the United Kingdom and Germany are the major importers of sardines. Together they account for 60 percent of the total import market (Figure 5.38). Spain increased its import of sardines by 55 percent in 2003, making it the second largest importer of the EU. The imports in Germany, Portugal and Italy increased substantially while the Netherlands and the UK imported less sardines in terms of value.

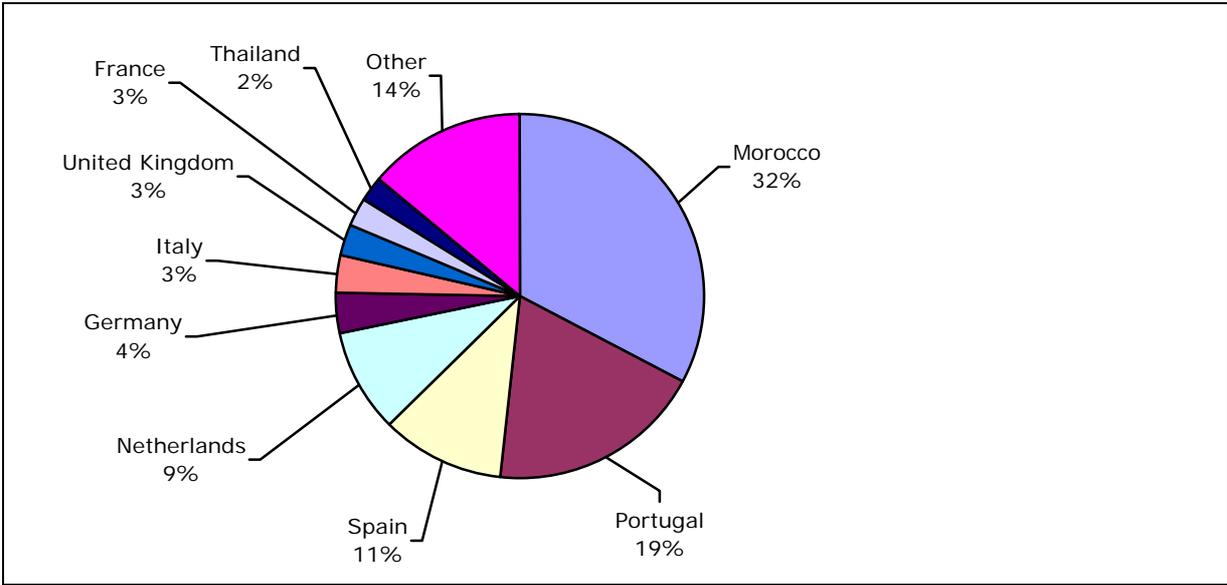
Figure 5.38 Imports of sardines per EU member, share of total import value, 2003



Source: Eurostat 2004

Morocco is the largest exporter of canned sardines in the world and it is the leading supplier of sardines to the EU. Apart from canned sardines, it also supplies fresh and frozen sardines. Portugal and Spain are the second and third largest suppliers. Developing countries (including Morocco) supply about 40 percent of sardine imports. Most their imports are in canned or frozen form (Figure 5.39).

Figure 5.39 Supplying countries of sardines to the EU, share of total import value, 2003

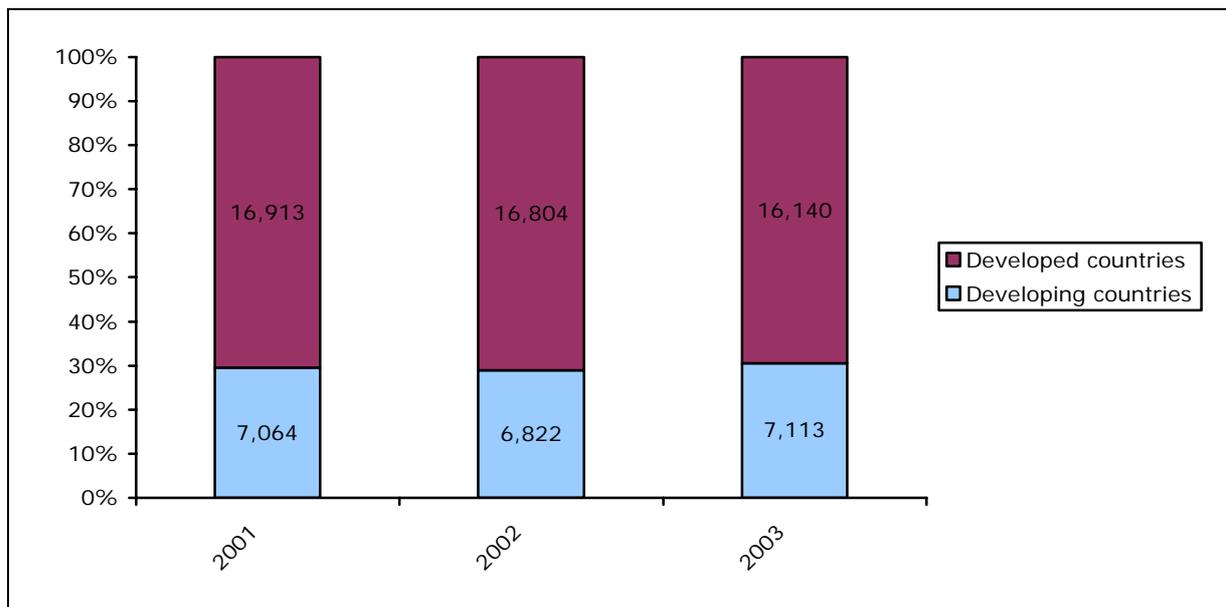


Source: Eurostat 2004

5.3 The role of the developing countries

More than 180 countries from all continents contribute to the immense flow of fishery products into the European Union. About a third of these are developing countries (see OECD list of developing countries in Appendix 4). Developing countries exported fishery products worth 7.1 billion euro to the European Union in 2003, an increase of 4 percent compared to the year before. Their market share increased to 30.6 percent of total EU imports of fishery products, up from 29.1 percent the year before (Figure 5.40). Calculated as the share of imports from outside of the EU, however, the developing countries' contribution was 54 percent by value and 53 percent by volume.

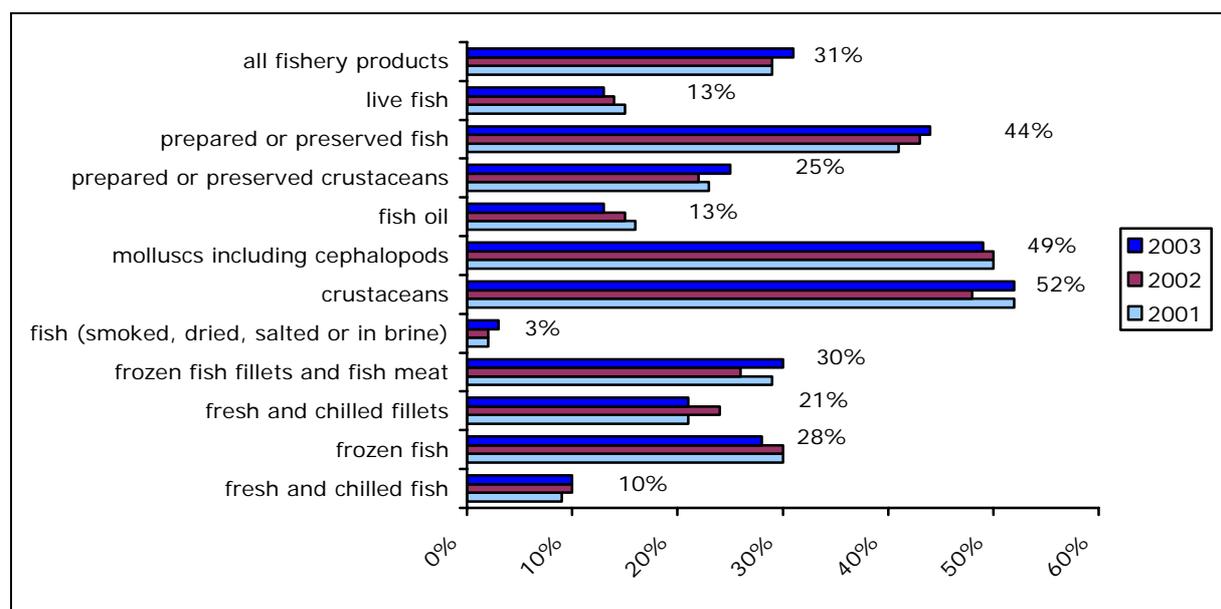
Figure 5.40 Share of fishery products originating in developing countries and import value, 2001-2003, in millions €



Source: Eurostat 2004

Focusing on the main categories of the Harmonised System, which are sorted by form of preservation, developing countries have the strongest positions in crustaceans, molluscs (including cephalopods), and prepared or preserved fish (including canned). Especially their share in imports of crustaceans (fresh, prepared and preserved) increased substantially in 2003. Developing countries lost market share in the categories of molluscs (including cephalopods), live fish, and fresh and chilled fish (Figure 5.41).

Figure 5.41 Share of developing countries in total import value of fishery products by EU members, 2001-2003



Source: Eurostat 2004

Looking at the product groups most relevant to developing countries, and disregarding forms of preservation, shrimps and prawns, tuna, cephalopods and hake are the most important (Table 5.2). As mentioned earlier, European countries import large volumes of cod, sole, plaice and pollack, but these coldwater species are less relevant for developing countries.

Table 5.2 EU imports of selected fishery products from developing countries, 2001-2003, million € /1,000 tonnes (product weight)

	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Total EU-25	23,977	7,819	23,626	7,616	23,253	8,022
Total developing countries	7,064	2,209	6,822	2,163	7,113	2,409
Shrimps and prawns	2,086	282	1,796	287	2,027	351
Tuna	1,046	505	1,284	578	1,181	584
Cephalopods	763	268	893	272	922	298
Hake	642	258	620	259	646	279
Molluscs	177	59	176	69	187	80
Crab and lobster	177	19	165	17	132	17
Sardines	93	54	98	60	104	59

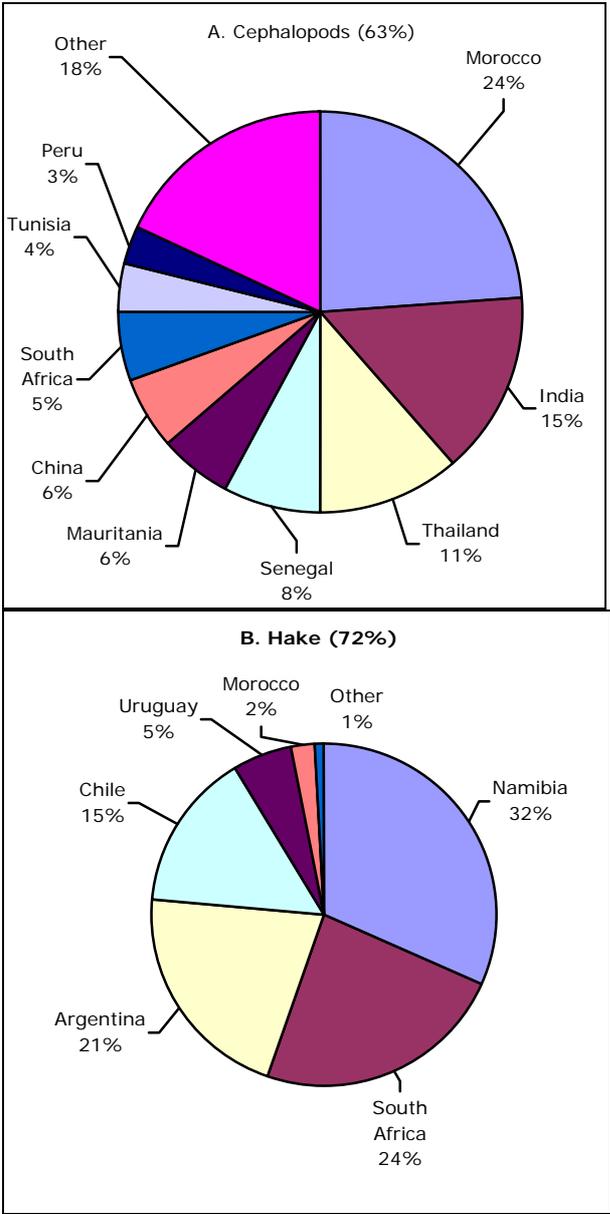
Source: Eurostat (2004)

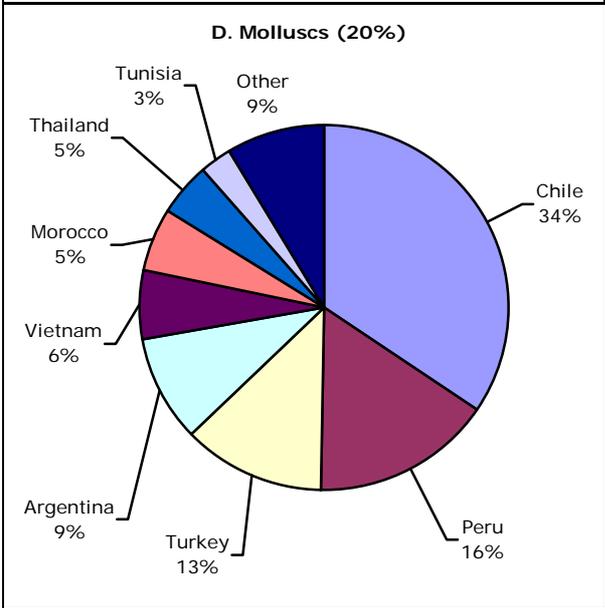
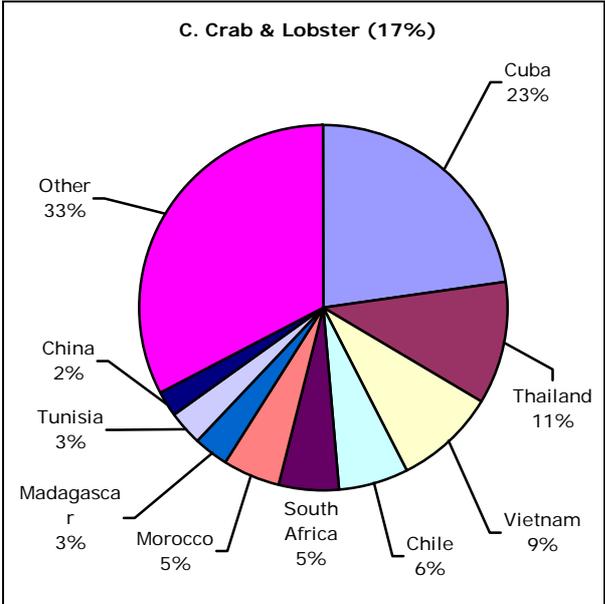
Morocco is the largest overall supplier among developing countries, taking advantage of its favourable geographical position opposite Spain (Figure 5.48h). It also dominates the EU import market for cephalopods (strong in octopus) and sardines. In 2003, Morocco's share in developing country exports to the EU decreased slightly from 10 to 9 percent. Argentina is the second-largest supplier, benefiting from an abundance of exploitable species and the presence of large fishing fleets from Spain and other countries, which are permanently operating under Argentine license in territorial waters. Argentina's share increased from 8 to 9 percent in 2003. One of the strongest

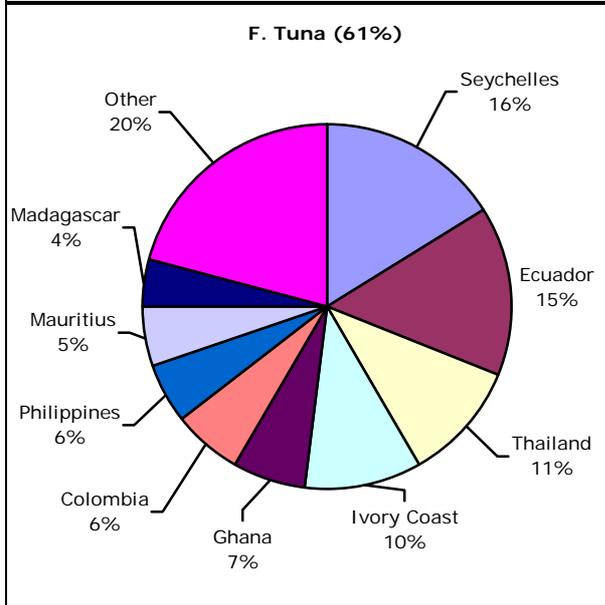
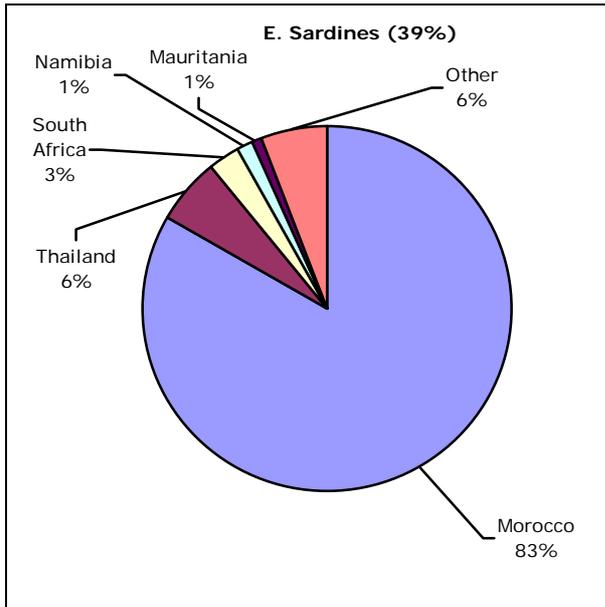
growers is China, which managed to increase its share from 4 to 7 percent. Thailand, India and Chile are other major suppliers.

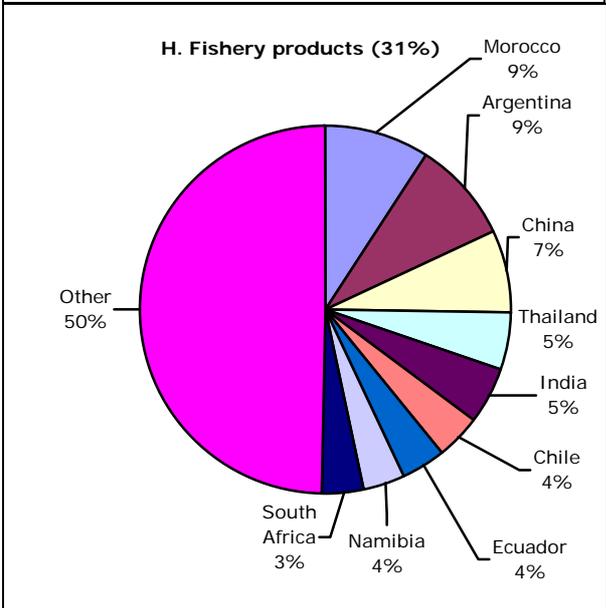
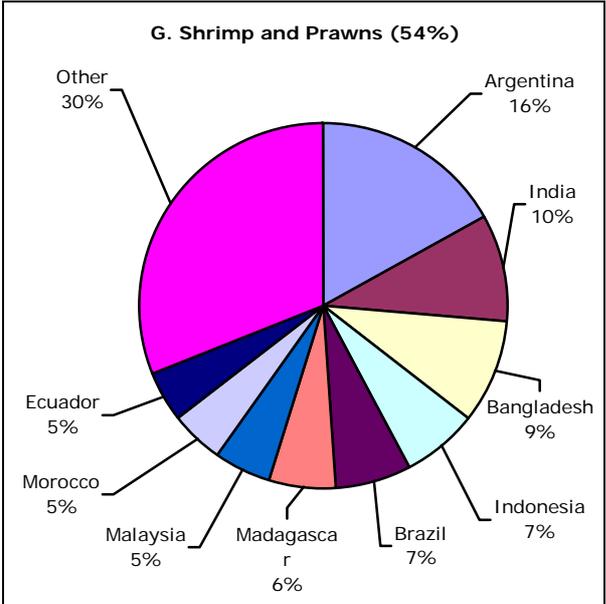
Figure 5.42 shows the major developing countries exporting to the EU by product group. The developing countries have the strongest position in hake (Figure 5.42b), cephalopods (Figure 5.42a), tuna (Figure 5.42f), and shrimps and prawns (Figure 5.42g), with market shares between 72 and 54 percent. The share of developing countries in the import value of cephalopods decreased from 83 percent in 2002 to 63 percent in 2003. In that year, Morocco suffered from very poor catches of octopus due to catch restrictions (Globefish 2005i and 2005j). The imports of cephalopods from Spain to the EU market increased, compensating some of the loss of Moroccan supply. The position of Namibia in the imports of hake into the EU was reinforced in 2003, with a growth from 29 to 32 percent of the total. For crab and lobster (Figure 5.42c), Cuba remains the main developing country exporter to the EU with a growing share in the imports. Molluscs (Figure 5.42d) are mainly supplied by Chile, which increased its share in EU imports in 2003. As mentioned before, Morocco dominated the import market of sardines (Figure 5.42e), but lost some of its share in 2003 (from 90 percent to 83 percent).

Figure 5.42 Shares of developing countries in EU imports by value, per product group, 2003; between brackets: total developing country share





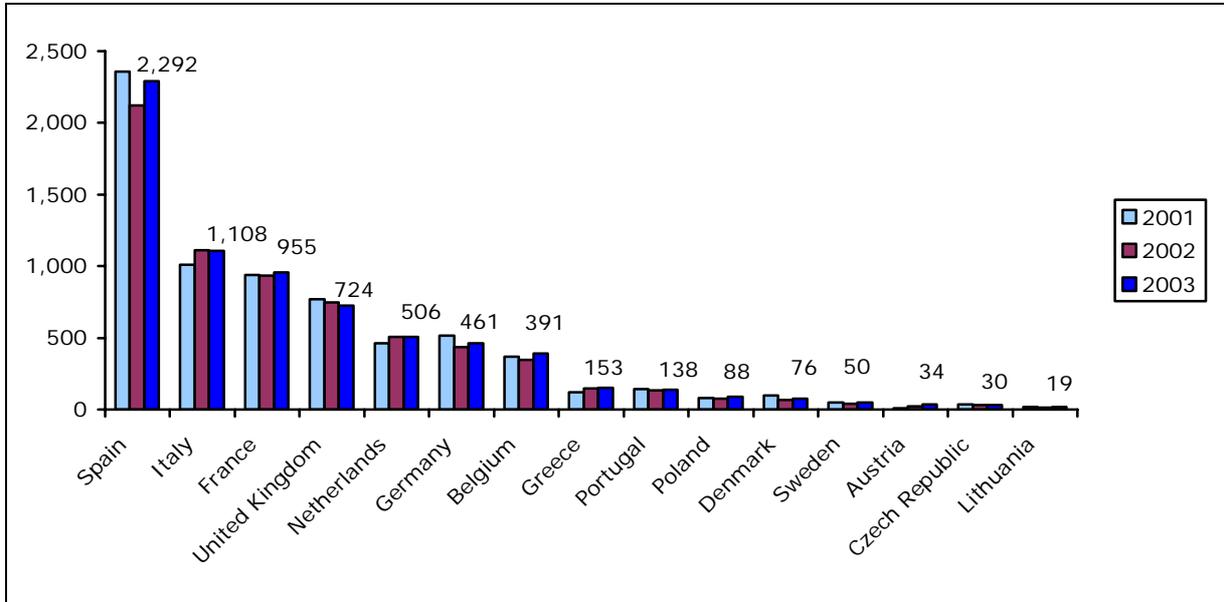




Source: Eurostat 2004.

Spain is the largest import market for developing countries, which is consistent with its position as the leading overall importer of fishery products. Spain is the leading importer for some of the most important species originating from developing countries including hake and cephalopods. Italy, France and the United Kingdom are the next largest destinations for fishery products from these countries (Figure 5.43).

Figure 5.43 Import of fishery products from developing countries into EU, 2001-2003, millions €



Note: only the 15 countries with the largest imports are presented, the remaining 5 countries have smaller imports than Lithuania.

Source: Eurostat 2004

6 EXPORTS

6.1 EU

In 2003, total exports of fishery products by EU member countries were nearly equal to 2001, at €13.7 billion (Table 6.1). The EU-15 countries (EU excluding the 10 countries that entered the EU in May 2004) contributed more than 95 percent to the total EU-25 export value. Denmark is the largest exporter, followed closely by the Netherlands.

Table 6.1 Exports of fishery products by EU member countries, 2001-2003, in million €/1,000 tonnes (product weight)

	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
EU-25	13,503	5,123	13,752	4,963	13,694	5,304
EU-15	12,980	4,744	13,160	4,579	13,083	4,908
EXTRA EU-15	2,149	1,551	2,224	1,478	2,203	1,644
Denmark	2,785	887	2,787	891	2,664	923
Netherlands	2,167	772	2,315	809	2,330	913
Spain	2,095	921	2,063	815	2,012	854
United Kingdom	1,190	387	1,216	389	1,283	474
France	1,119	386	1,123	354	1,143	426
Germany	1,019	391	992	328	917	315
Belgium	626	123	602	116	672	141
Sweden	521	269	556	268	622	284
Italy	431	128	456	120	398	114
Ireland	425	278	411	283	370	243
Portugal	316	99	338	112	332	115
Greece	238	79	239	71	280	84
Austria	8	3	20	6	28	8
Luxembourg	25	4	27	3	21	3
Finland	16	16	15	14	12	10

Source: Eurostat 2004

The new member countries contributed 4 percent to the total export volume of the EU. Poland was responsible for 43 percent of this by value, while Estonia contributed most by volume (28 percent) (Table 6.2).

Table 6.2 Exports of fishery products by EU member countries, 2001-2003, € million / 1,000 tonnes (product weight)

	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
EU-25	13,503	5,123	13,752	4,963	13,694	5,304
New members	523	378	592	383	611	396
Poland	239	90	239	86	263	94
Estonia	92	110	109	114	110	112
Lithuania	45	28	63	43	79	60
Latvia	72	125	77	117	65	106
Czech Republic	36	14	39	13	40	14
Malta	15	3	43	3	32	3

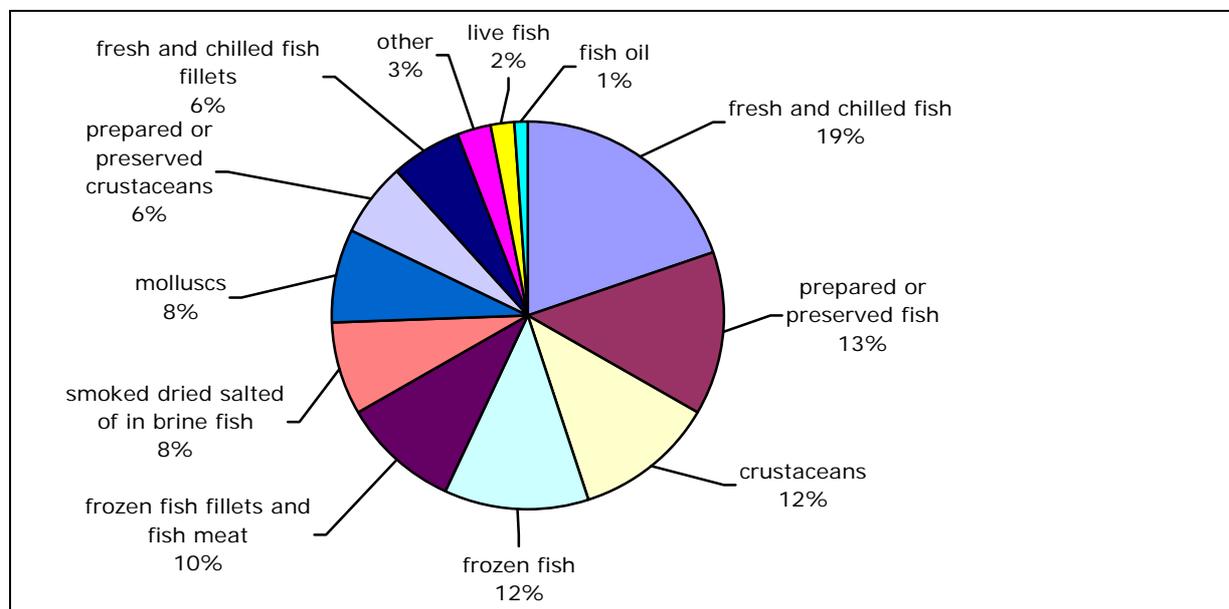
Hungary	8	5	6	4	9	4
Slovenia	6	2	6	2	6	2
Cyprus	7	1	6	1	4	1
Slovakia	2	1	3	1	3	1

Source: Eurostat (2004)

EU exports were mainly destined to other EU countries (83 percent). Major destinations outside the European Union were Japan, Switzerland and the United States.

Looking at harmonised system categories (by preservation form), the most important export category was fresh and chilled fish, amounting to €2.7 billion in 2002. Within this category fresh or chilled salmon was the leading item. Other important products in this group were tuna, cod and sole. Prepared or preserved fish and crustaceans are other important categories (Figure 6.1).

Figure 6.1 EU exports of fishery products by product group, percent of total export value, 2003



Source: Eurostat 2004

In the following paragraphs, the export of fishery products of the selected countries will be discussed. The data represented in these paragraphs may deviate from the data presented in table 6.1 due to differences in data sources.

6.1.1 Denmark

Denmark is one of the world's leading seafood exporters. Accounting for 19 percent of all EU exports, Denmark is the largest exporter of fishery products in the EU. In 2003, Danish export value decreased slightly by 4 percent to 2.7 billion euro. Half of the exports consist of fish oil and fish meal which is mostly made from the fish landed in Denmark. The remaining part of the exports consist of fresh or processed products which are sold mainly to countries within the EU. Germany, France and the UK are the main markets for Danish fishery products (USDA/FAS 2004d).

6.1.2 France

According to OFIMER, French exports of fishery products amounted to 451,311 tonnes in 2004, at a value of 1,215 million euro. 44 percent of the export value consisted of fresh and chilled fish; 31 percent of frozen fish; and 15 percent of canned fish. The remaining part of the export value consisted of traiteur products or products for other uses than human consumption. When looking at the species, sea fish were the main exported species (mainly tuna), followed by farmed species such as salmon, trout and eels. Spain and Italy were the main markets (23 percent and 22 percent of total export value). 75 percent of exports, in terms of value, were to other EU countries; 3 percent to Norway, Switzerland and Iceland; and the remaining 12 percent outside of Europe (Ofimer 2005).

6.1.3 Germany

In 2003, German exports of fishery products were a little more than 900 million euro. The exports consisted mainly of processed products (48 percent of total), followed by seafish (27 percent of total), shellfish (13 percent), and sweet water fish (12 percent) (Fisch Informationszentrum 2005). Germany's main EU export markets were France, the Netherlands, United Kingdom and Italy. Outside of the EU, Switzerland and Nigeria were important markets (USDA/FAS 2004a).

6.1.4 Italy

Italian exports amounted to 114 thousand tonnes in 2003, worth almost 400 million euro. Tuna, anchovies, and sardines are the most important exported species. Exports of scallops, cuttlefish and other molluscs increased strongly. The most important export markets in the EU (78 percent of total export volume) were Spain, France and Germany. The most important market outside of the EU is Switzerland (USDA/FAS 2004b).

6.1.5 The Netherlands

The Netherlands is the second largest exporter and the value of its exports increased slightly by 1 percent to 2.3 billion euro. The volume of the Dutch export market increased by 12 percent and amounted to 913 thousand tonnes. According to the Dutch Fish Marketing Board, shrimp, plaice, Nile perch, blue mussels and sole are the most important exported species. Belgium is the largest export market and has the largest market for shrimps and blue mussels. Other important markets are Germany, France and Italy (Dutch Fish Marketing Board 2005b).

6.1.6 Spain

Spain, which is the third largest exporter, saw its exports decrease by 2 percent to 2.0 billion euro while the volume increased by 5 percent. In 2002, the largest part of the exports consisted of frozen fish (46 percent of export volume) and molluscs (19 percent of export volume). The main EU export markets were Portugal, Italy and France accounting for 46 percent of the total export (USDA/FAS 2003b).

6.1.7 United Kingdom

The United Kingdom is the fourth largest exporter of fishery products in the EU. Salmon (farmed) is the leading food export product of the UK and is of particular value to the Scottish economy. The major markets for salmon are other EU countries and the United States (USDA/FAS 2004e).

7 TRADE STRUCTURE

7.1 EU trade channels

The European fish market is characterised by many small and medium suppliers, processors and distributors. In an ongoing process of consolidation, however, the number of firms is decreasing. This is caused by increasing demands on assortments, logistics, service and efficiency of the operations, voiced especially by supermarkets. The importance of maintaining a cold chain and the need for traceability, moreover, lead to more direct relations between suppliers and retailers.

A large proportion of the fishery products in the EU is imported and most European countries have a trade deficit, as was shown in Chapters 5 and 6. Some exporters will bargain directly with the major end-users, while others will sell by means of independent traders (importers) or sales agents. By selecting a trade partner, a specific trade channel and other partners may automatically be included. Five types of possible business partners for exporters can be distinguished: agents, importers, the processing industry, end-product manufacturers and retail and catering organisations (see box).

Agents

Agents are intermediaries that arrange buying and selling orders of a customer against a commission. Agents never actually take possession of a shipment. The products do not necessarily pass through the agents' hands. Two types of agents can be distinguished: buying agents and selling agents. Agents are usually well informed about current market trends, prices and users. Due to strong competition agents are increasingly passed over in the trading process. Nevertheless, they can be very helpful in trading unfamiliar or specialised goods because of their detailed market knowledge.

Importers

Importers buy fishery products on their own account and sell them onward, especially to the food industry. They may take 'long' or 'short' positions in the market depending on their expectations of future price trends. If importers sell 'short', they are contracting to sell products which they do not yet possess, while taking a 'long' position means that they have unsold products in their trading account.

Processing industry (processing importer)

Processing manufacturers and processing importers buy raw materials and intermediate products for further processing, with the aim of selling these to the end-product manufacturers. In the shrimp industry, for example, the processing importers clean and peel the shrimp before selling them onward to their customers. Processing manufacturers purchase fishery products directly in origin, from importers or through the services of an agent.

End-product manufacturers

End-product manufacturers who need large quantities of fishery products on a regular basis may purchase directly from producers abroad. But most of them use importers or agents. Imported fishery products that need further processing before use in the end product are either bought from the processing industry/processing importers or processed by the end-product manufacturer himself.

Retail and catering organisations

Retailers carry out the final stage of selling fishery products to consumers, accounting for a very large share of the total sales. To date, the retail and catering sector hardly imports directly, but buys from wholesalers or importers. However, some retail chains purchase directly from abroad, although rarely from other continents.

There is considerable difference in the supply chains of particular products. Fresh, frozen, canned, otherwise preserved and value-added products reach the consumer in different ways. The next section distinguishes between fishery products in consumer and catering packs, which are ready for use by the consumer, and products for industrial use.

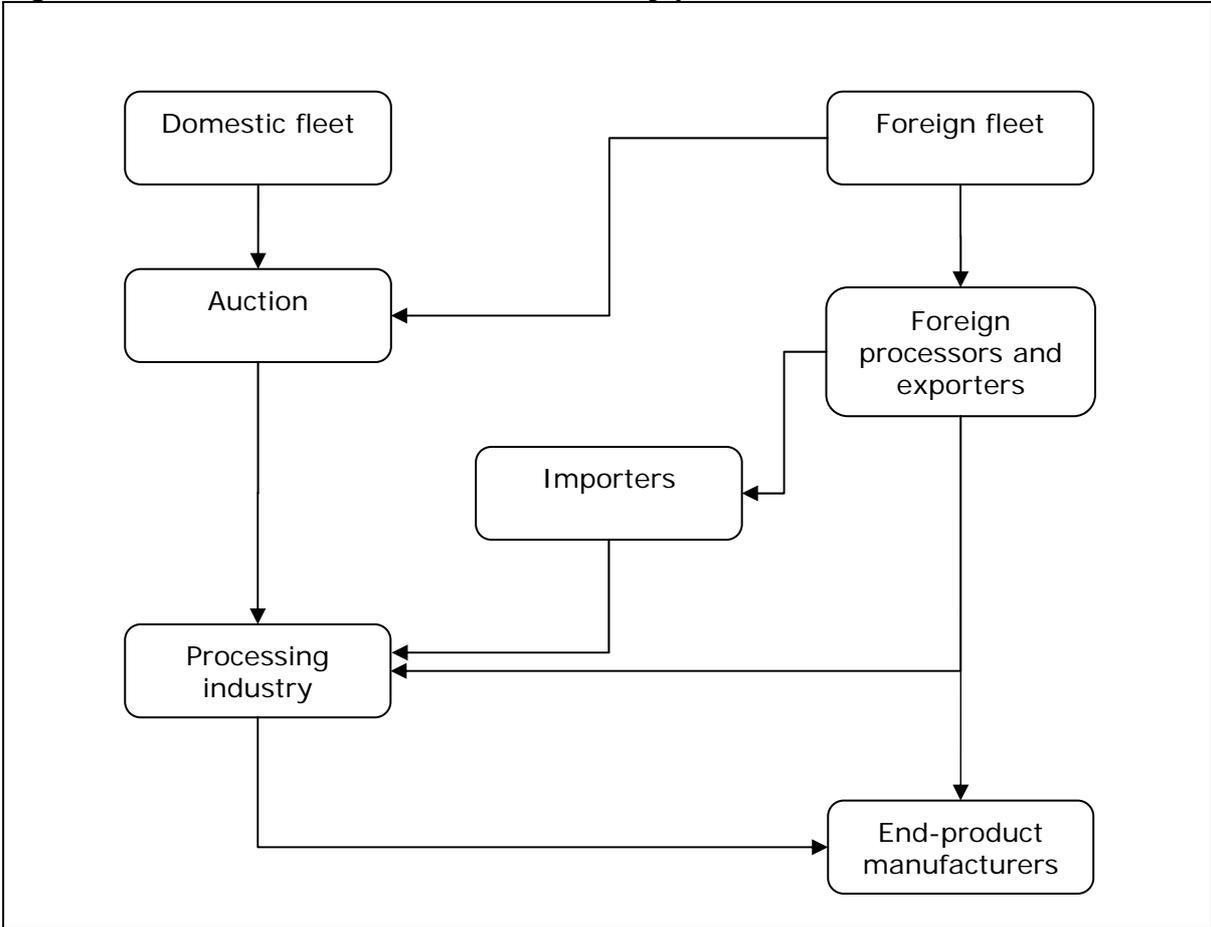
Distribution of fishery products for industrial use

Figure 7.1 sketches the channel for fishery products that need further processing. The width of the arrows indicates the importance of the connection. There is a wide variety of enterprises in this sector. In many cases, fishery products imported from overseas will be re-packed and branded for the particular destination by the importing company. In other cases, additional physical preparation or cooking is required, for example by producers of ready meals and snacks.

Firms dedicated to re-exporting typically import exotic fishery products from developing countries, add value to these by e.g. filleting or peeling, and then sell them onward. Species in demand are: shrimp; frozen tuna; octopus and squid. Typical examples are the Spanish canning factories importing frozen tuna and Dutch companies importing Nile perch from Lake Victoria for distribution throughout Europe.

Because of the demand for more convenience, the processing industry is gaining importance. Processors and exporters in developing countries are well-placed to compete with European companies. They may benefit from increased competition, the trend towards outsourcing and improved logistics and international communication. A witness to this is the growing importance of value-added products from developing countries.

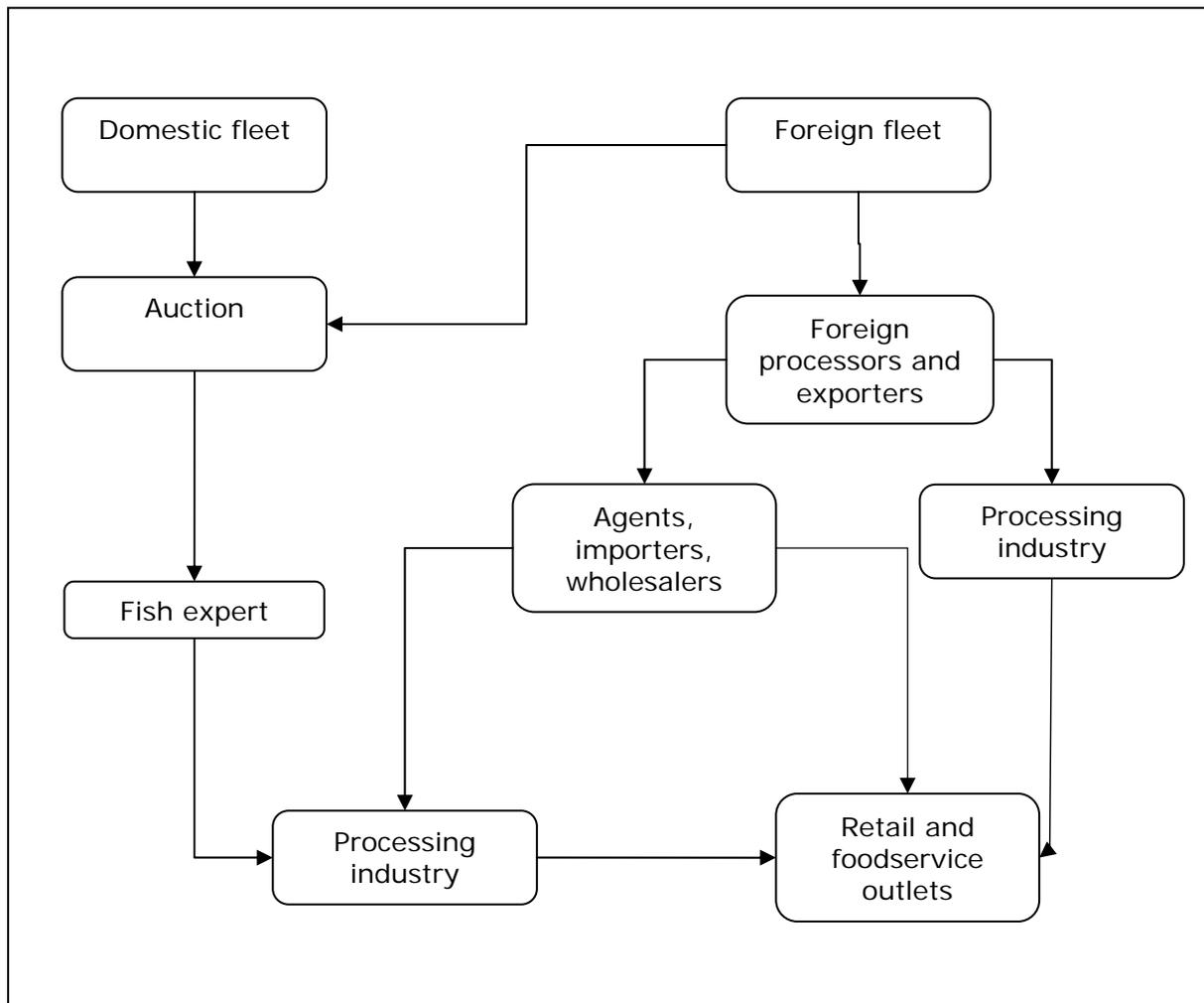
Figure 7.1 Distribution channels of fishery products for industrial use



Distribution of fishery products in consumer and catering packs

For exporters of fishery products *in consumer or catering packs* the most suitable business partners are importers (Figure 7.2). Retail and catering organisations may become more important for overseas exporters in the future, but most of them currently prefer to buy from European wholesalers and importers. When some of the larger chains are interested in purchasing directly from abroad, their demands on quality and logistics will be very high. Fishery expert firms are sometimes engaged as intermediaries between supermarkets and fish auctions. In this channel, a major distinction is between the retail and the foodservice channels.

Figure 7.2 Distribution channels of fishery products in consumer and catering packs



The retail channel supplies the household market and consists of supermarkets, fishmongers, public markets and other food stores. Supermarkets have become more popular at the expense of traditional fishmongers and street markets. As discussed in Chapter 3.2, this is partly a consequence of the demand for convenience foods and one-stop shopping. Especially in northern Europe sales of the fishmonger and the market stalls have already declined considerably. Retailers in those countries look for products that can complement the traditionally demanded North Sea species. Interesting examples are (double-skinned) tilapia fillet, Nile perch, skin-on hake fillets

and substitutes for Dover sole.⁷ In the Mediterranean countries, traditional outlets are still dominant, although equally in decline.

The assortment offered by supermarkets is different from that of the fishmonger and street market. The latter outlets offer especially fresh, chilled, smoked and fried products. While the traditional strength of supermarkets was in frozen and canned products, they have started to offer wider assortments of fresh pre-packed products, such as various fillets, shrimps and prawns. They use new packaging techniques such as Modified Atmosphere Packaging (MAP) thus prolonging the shelf life of fresh fish.

The foodservice channel supplies the hotel, restaurant and institutional market (HRI market). It is sometimes called the catering market, but terms are often used randomly. An increasing number of middle-class and top restaurants is looking for special and exotic fish (e.g. Pangasius and tilapia) and shellfish. Imports consist mainly of frozen products, for example red fish such as mullet and red snapper, sea bass, Dover sole substitutes, lobster tails and prawns. They are distributed either in bulk or in catering packs. There is a small but increasing market for fresh, high-value species imported by air such as tuna, crab and lobster. The institutional sector (nursing homes, hospitals and homes for the elderly) often buys from importers that specialise in the supply of high-safety products. Like the retail channel, the foodservice channel does not purchase directly from overseas, but from European wholesalers or importers.

E-commerce

Internet has created many new possibilities for communication between businesses and people. E-commerce means buying and selling goods and services using the internet. It is used both for business-to-business contacts and from businesses to consumers. E-commerce can be particularly useful for finding and making the first contact with a business partner. The use of e-commerce for structural trading of fishery products is questionable, however. Because of quality requirements, fish trading is based on trust and long-term relationships. Although quality is guaranteed by an organisation such as Pan European Fish Auctions (PEFA), which deals in fresh fish, e-commerce is principally suitable for frozen fishery products and niche products. The individual consumer has also been reluctant to adopt e-commerce for purchasing food and more in particular fish, although the option is now available in most European countries. Several sites for e-commerce are listed below. On these sites buyers and sellers can meet. Some of them also provide links to European fish auctions.

Internet Site	Targets	Internet address
@tuna	Information on tuna market and agency for buyers and sellers of tuna	http://www.atuna.com/
Bacalao.net	Trading board with many current on-line offers	http://www.bacalao.net/
Fishroute	Directory of global buyers and sellers of fishery products	http://www.fishroute.org/
Pan European Fish Auctions (PEFA)	Online fish auction and market for buyers and sellers of fishery products	http://www.pefa.com/
Sea-ex	E-commerce server for seafood and marine industries	http://www.sea-ex.com/

The next section will consider the structure of major European markets in more detail.

⁷ Tilapia is a fresh water species mostly produced in aquaculture, while Nile perch is a different species, caught in Lake Victoria and other inland waters. They can be ordered single, silver or double skinned. Hake from Peru is with skin, because the meat is not firm enough for roasting or frying. Most other hake species are firmer, like cod meat.

7.1.1 Denmark

Denmark ranks fourth among world suppliers of fishery products and is a large international trader. Fresh fish is generally imported from non-EU countries, then processed and re-exported to other EU member countries. The Danish have a strong interest in finding alternative suppliers and import substitutes, which is increased by declining EU quota for especially cod. Most of the Danish imports, however, are from other Nordic countries, in particular from Norway, Greenland, the Faeroe Islands and Russia. Germany, France and the UK are the main destination markets. In spite of the Danish focus on coldwater fish, there are niche markets for products from developing countries, for instance shellfish (shrimp, gallops, lobster) and catfish. Apart from trade through Denmark, Danish traders are also active in importing directly from third countries to other EU markets (USDA/FAS 2003c).

The number of fish auctions and locations for landing of fish and shellfish has decreased during the years and the wholesale market is dominated by a few major importers and exporters domiciled in the larger sea harbours and in the Copenhagen Fish Market. For direct retail purposes, a number of supermarket chains have their own import of manufactured products.

In spite of the importance of its fish industry, retail distribution of fishery products is poorly developed. Small towns have no specialist fish retailer. Often greengrocers and butchers have an assortment of smoked products for sale, while other manufactured products are sold by grocers and supermarkets. Very few of these traders sell fresh products, and the assortment of frozen products is limited. Products in glasses and cans are always part of the stock, but the main products will be traditional lunch products and tuna fish. There is a trend, however, that more supermarkets carry a limited range of fresh products (USDA/FAS 1997).

With some notable exceptions, the output from the manufacturing industry is traditional: herring and mackerel products in cans or glasses, smoked products (herring, mackerel, cod, cod roe and eels) and minced fish.

Royal Greenland is a Danish producer of branded seafood articles for retail and catering outlets and a leading international brand (<http://www.royalgreenland.com>). Headquarters and most of its production facilities are in Greenland. The product range includes ready-made meals, frozen fish products, natural fish, shellfish and smoked fish products. It claims to be the world's largest supplier of cold-water prawns.

Rahbekfisk is a prominent producer of frozen and ready-made fish products (<http://www.rahbekfisk.com>). It won the prestigious Prix d'Elite at the 2000 European Seafood Exposition for its product line featuring a salmon roll with horseradish, a saithe roll with creamy garlic, and wild salmon en croute.

7.1.2 France

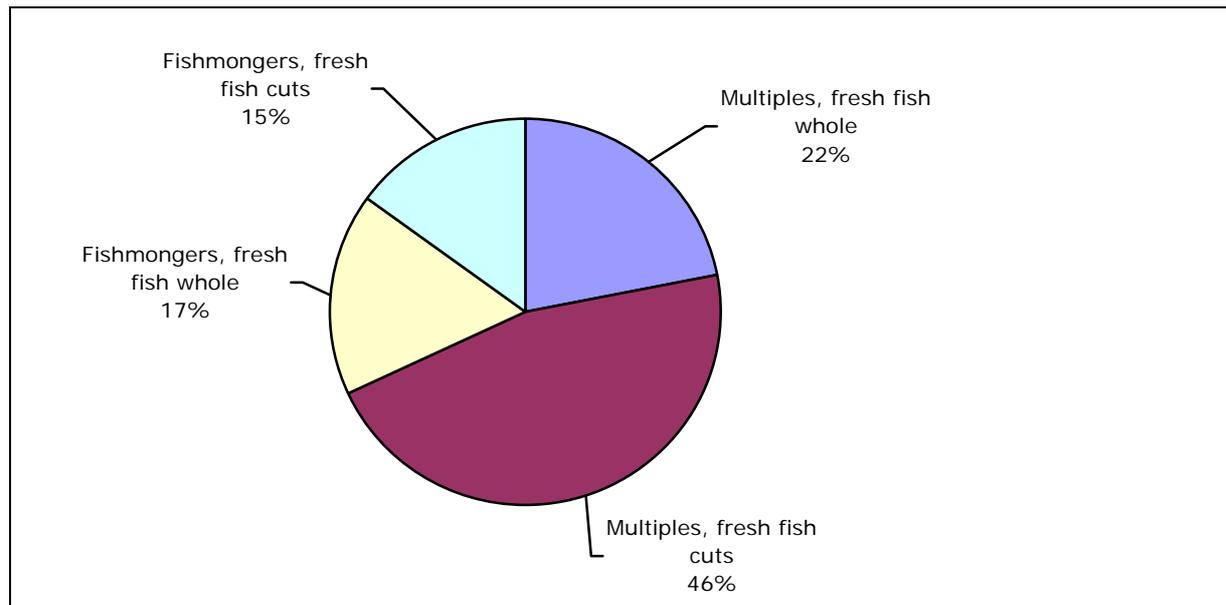
There are about 800 companies distributing fresh fish in France. Some companies (e.g. Pêche & Froid) own plants in Africa and their own fleet of fishing vessels. Fishery products are mainly imported from the Mediterranean and African countries and arrive at the southern port of Marseilles. The higher value products are supplied through the airports of Paris. Imports from other European countries are often brought in by trucks.

Rungis, built more than 20 years ago and located about 20 km south of Paris, is the largest wholesale market for food products including fishery products

(<http://www.rungisinternational.com>). It is home to wholesalers, producers, importers, buying agents and service companies.

Super- and hypermarkets have gained a very strong position in the French retail landscape with an estimated share in retail fish sales of 85 percent. Fishmongers and market stalls saw their share fall from 13.6 to 11.8 percent between 2002 and 2004 (Mintel 2004a)⁸. Hard discounters are thriving as well. Even in the distribution of fresh fish, the traditional domain of fishmongers, multiple grocery stores in 2002 held a 68 percent market share (Figure 7.3). They were especially strong in fish cuts including fillets, where the share was 75 percent by value.

Figure 7.3 Distribution of fresh fish in France, 2002, share of retail value



Source: Ofimer 2003

Within the multiple grocery retailers, three different categories can be distinguished:

- *Hypermarkets* – stores with a selling area of at least 2,500 square metres. They offer a wide range of foods and non-foods. There are about 1,000 hypermarkets in France. The top five companies are Leclerc (<http://www.e-leclerc.com>), Carrefour (<http://www.carrefour.com>), Géant (<http://www.geant.fr>), Casino (<http://www.groupe-casino.fr>), Auchan (<http://www.auchan.com>) and Intermarché (<http://www.intermarche.com>).
- Traditional *supermarkets* are smaller than hypermarkets, with a selling area between 400 and 2,500 square metres. Among the leading companies are Intermarché, Système U (<http://www.magasins-u.com>), Champion (<http://www.champion.fr>) and Casino.
- The so-called *hard discounters* are defined as trading in only one quality: a low price. They do not offer a comprehensive range of products and are thus not as convenient as supermarkets and hypermarkets. Nevertheless, they attract customers for whom price is of paramount importance.

In spite of consolidation, traditional French wholesale companies are losing ground to multiple grocery chains, and most recently to the hard discounters, which are increasingly expanding their own wholesale activities. Exporting wholesalers from other EU countries such as Belgium and the Netherlands have taken over the distribution function and sell directly to French retailers. Leading brands include Unilever's Iglo (<http://www.iglofrance.com>) brand leading the frozen fish sector, Heinz's Petit Navire

⁸ These figures from Mintel specifically refer to retail sales of fish, excluding shell fish.

(<http://www.heinz.com>) leading the canned fish sector and Nestlé (<http://www.nestle.com>) leading the frozen ready meals sector. The French Fleury Michon (<http://www.fleurymichon.fr>) is leading in the chilled ready meals sector and the surimi sector (Mintel 2004a).

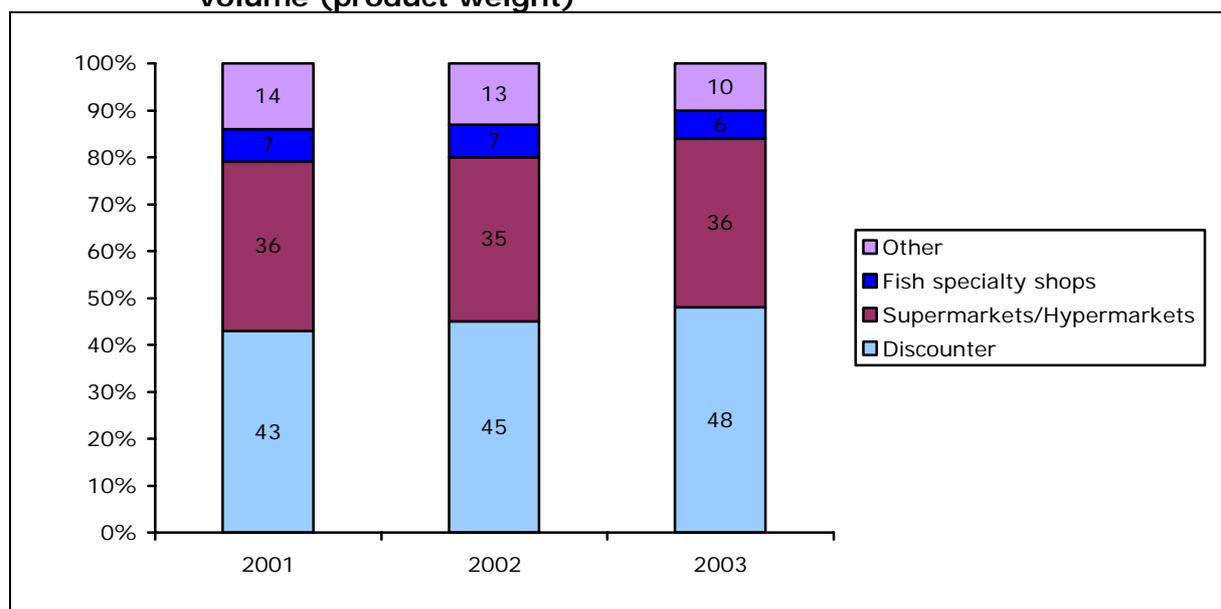
7.1.3 Germany

The German fish industry is concentrated around Bremerhaven, Cuxhaven, Hamburg and in Mecklenburg in the north of Germany. The Bremerhaven auction is the most important German auction. The importance of the fish auctions is declining, however, since Nordsee and other seafood manufacturers increasingly obtain their products directly from large individual suppliers.

Wholesalers are losing ground in Germany, just like in France. These traditional middle men, operating between the landing sites of fish and the retailer outlets, have difficulty in meeting the new market demands posed by supermarket and their customers. Such demands include fully-serviced delivery, a broad and deep assortment and sophisticated rapid service. These can only be met by fewer but larger suppliers. International supplier groups have indeed opened subsidiaries to build up new logistical chains, directly serving supermarkets. They also enable supermarkets to introduce Private Labels for fresh and frozen fish.

Discount stores such as Aldi (<http://www.aldi.com>) are dominant in Germany and this is the same for fish retailing. As much as 48 percent of retail fish sales were through discount stores in 2003, a further increase from 45 percent a year earlier. Service supermarkets accounted for 36 percent, while speciality fish shops and other outlets share the remaining 16 percent (Figure 7.4). Although the position of both service supermarkets and fishmongers is slightly better in value terms, the German retail sector is extremely price-sensitive. The group of multiple retailers as a whole is the most important outlet for smoked and canned fish and the second outlet for fresh or chilled fish. Major multiple retailers include REWE (<http://www.rewe.de>), Metro (<http://www.metrogroup.de>), Edeka (<http://www.edeka.de>), Aldi, Spar (<http://www.spar.de>), and Tengelmann (<http://www.tengelmann.de>) ((USDA/FAS 2004a).

Figure 7.4 Retail sales of fishery products by type of outlet, 2001-2003, volume (product weight)



Source: USDA/FAS 2004a

Brands are primarily important in the frozen and canned or bottled segments. Deutsche See is the leading overall supplier of fresh and frozen produce. In the frozen segment Unilever's Iglo (<http://www.unilever.de>) is leading, followed by Frosta (<http://www.frosta.de>); Hawesta (<http://www.hawesta.de>) and Appel Feinkost (<http://www.appel-feinkost.de>) lead the canned and bottled segment. The strength of the discounters means that own labels are very important in all segments (Mintel 2004b).

Generic fish promotion is carried out by the Fish Information Centre (Fisch-Informationszentrum, FIZ) in Hamburg. It is part of the Federal Association of the German Fish Industry and the Fish Wholesalers (Bundesverband der Deutschen Fischindustrie und des Fischgrosshandels e.V.) and open to both private industry and associations. The FIZ focuses on public relations campaigns and initiatives to create a positive image for fish and fishing practices in Germany, leaving direct sales promotions and other private marketing campaigns to the individual companies.

7.1.4 Italy

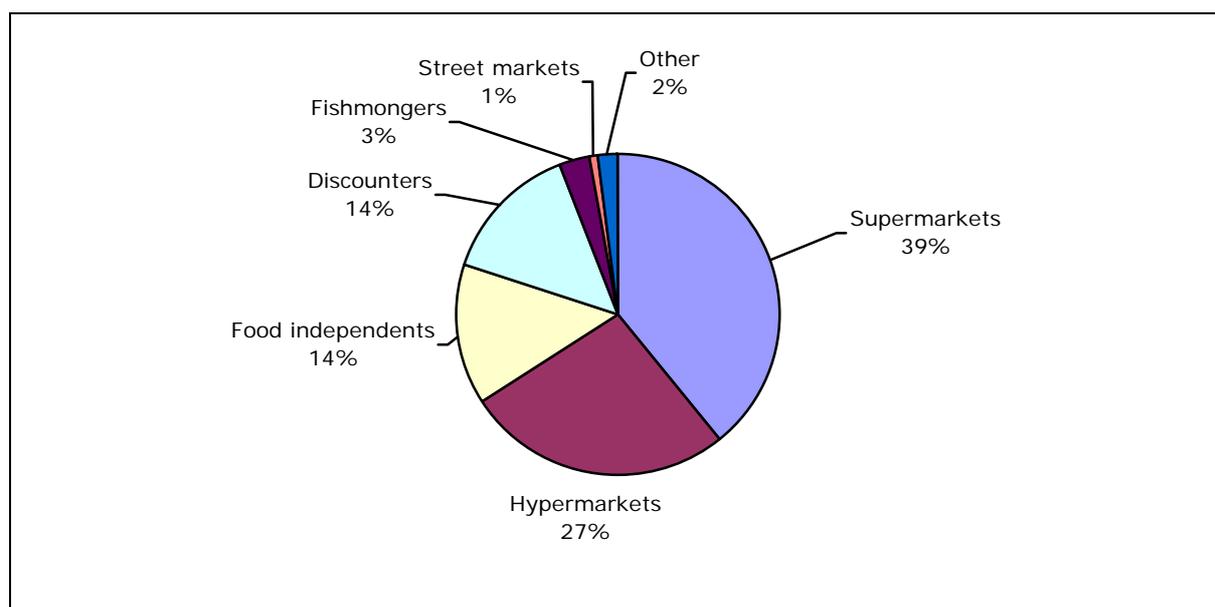
Although the importance of super- and hypermarkets in fish distribution in Italy is growing quickly, the role of the local fish shop is still important. This is especially the case in southern Italy, where super- and hypermarkets only account for 20 percent of sales of fishery products. In the south their market share is higher than 60 percent. Mintel (2004c) data show that supermarkets, hypermarkets and discounters together account for 58 percent of national retail sales of fish. Discounters have a small position of only 5 percent of sales (Figure 7.5).

The position of local fish shops is affected by the increasing number of fresh and wet fish stands in super- and hypermarkets. These wet fish stands generally have an attractive display of a wide variety of fish products of high quality. They provide an increasing number of services such as cleaning, cutting and filleting. In addition to these excellent services, multiples are very competitive in price, due to their policy of price containment. Especially prices of imported and farmed fish have decreased (Mintel 2004c).

Frozen fish is an important category in Italy, with multiple retailers owning a strong share. But there are also specialized retail outlets that exclusively sell frozen foods. Unilever is the market leader with its Findus brand and its premium sub-brand That's Amore. Nestle owns the Buitoni (<http://www.buitoni.it>) and Surgela brand, the first offering ready meals and the second frozen fish fillets. The canned fish segment is dominated by national brands such as Rio Mare (<http://www.riomare.it>), Palmera (<http://www.palmera.it>), Nostromo (<http://www.landor.com>) and Delicious (Mintel 2004c).

Out of home consumption is important in Italy, with a share of 30 percent in 2003 by product weight (out of a total consumption of 585 thousand tonnes according to USDA/FAS 2004b).

Figure 7.5 Share of retail fish sales per outlet type, 2004



Source: Mintel 2004c

Wholesale fish traders distribute most of the fish consumed in Italy, but another part is sold directly by fishermen or farmers. Wholesalers take possession of fish at landing and transport it directly to consumers, restaurants, fishmongers and the canning industry, or sell it to another smaller wholesaler. Imported live/fresh fish is brought in principally by air, using the Milan and Rome airports. Local catch landed in Sicilian ports can reach the Milan market the following morning by truck. With the exception of some mega-stores, the fish shops are too small to import directly from origin, but usually buy from local wholesalers.

Although there are substantial regional differences in Italy, large national and international chains such as PAM (<http://www.gruppopam.it>), Esselunga (<http://www.esselunga.it>), Coop (<http://www.e-coop.it>), Carrefour and METRO (<http://www.metro.it>) are present in all regions. Many of the largest seafood processors are located in the Lombardy region, where the two international airports play an important role in imports of fresh seafood. The Pizzolo group (<http://www.gruppopizzolo.it>) is located in Verona, Italy's largest fresh fish importing city. The city has an excellent distribution system to cover the national market. The largest wholesale fish market is located in Rome (USDA/FAS 2002b and 2003a).

7.1.5 The Netherlands

Only fresh fish is sold via the Dutch auction system. In 2000, more than 204 thousand tonnes (€ 541 million) of fish was sold at the Dutch fish auctions. The main auctions are situated in Yerseke (mussels), Urk (flatfish), IJmuiden and Harlingen. The Dutch fish auctions receive the fish directly from the ships that unload at port. The buying parties at the auctions are wholesalers, exporters and the fish-processing industry. Some of the Dutch auctions are also visited by retailers. Foreign vessels may also land their catch at the auctions.

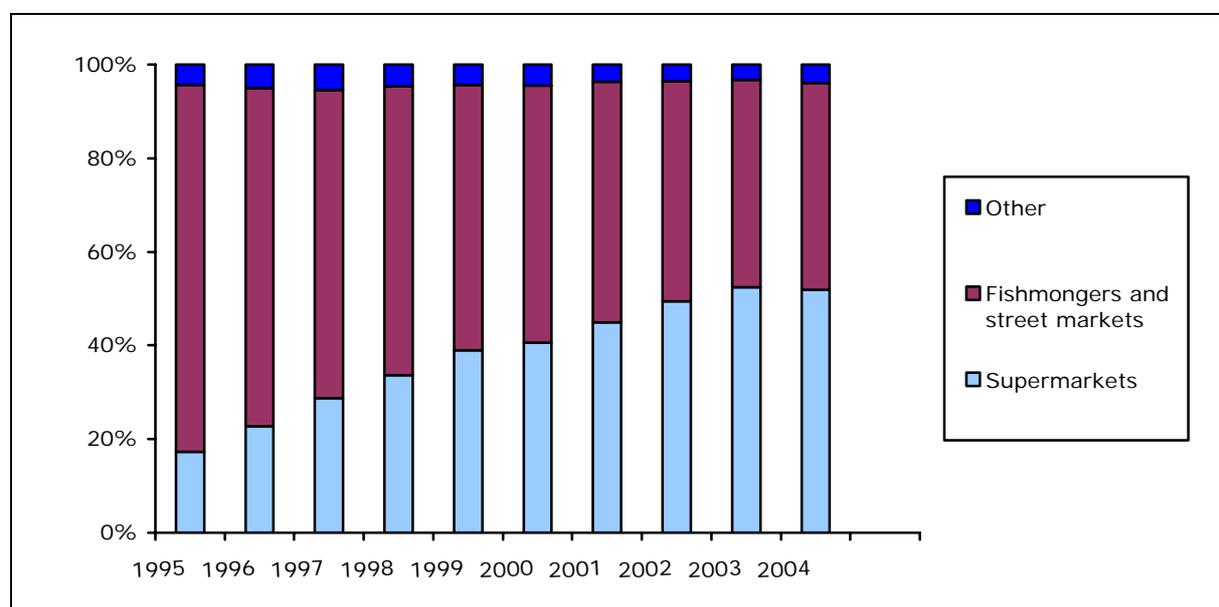
Distribution of fish products sold in the Netherlands has shifted rapidly from fishmongers and street markets to supermarkets. In merely a decade the share of supermarkets in fresh fish and shell fish increased from 17.3 to 51.9 percent of the household market (Figure 7.3). Fresh products are traditionally the strength of the fishmonger. Dutch supermarkets have only recently started to address this segment

seriously. Fishmongers respond by specializing in smoked fish, fried fish and catering or party services. They have also formed joint buying groups. 2004 was the first year after many that fishmongers and street stalls managed to keep their market share in fresh fish (Figure 7.6).

Of the overall household market for seafood, supermarkets in 2003 supplied 77 percent by volume and 68 percent by value, a strong increase from 73 and 64 percent in 2001 (GfK 2003). These larger overall shares are explained by the traditional strength of supermarkets in canned and frozen products.

The export market absorbs about 80 percent of all fish landed and imported in the Netherlands. Most of this is sold to other European countries. Since EU sanitary rules are strictly enforced, importing to the Netherlands is sometimes seen as problematic. However, this has not prevented imports to grow.

Figure 7.6 Consumer preferences for types of seafood, 2001–2003, value shares



Source: Dutch Fish Marketing Board 2005

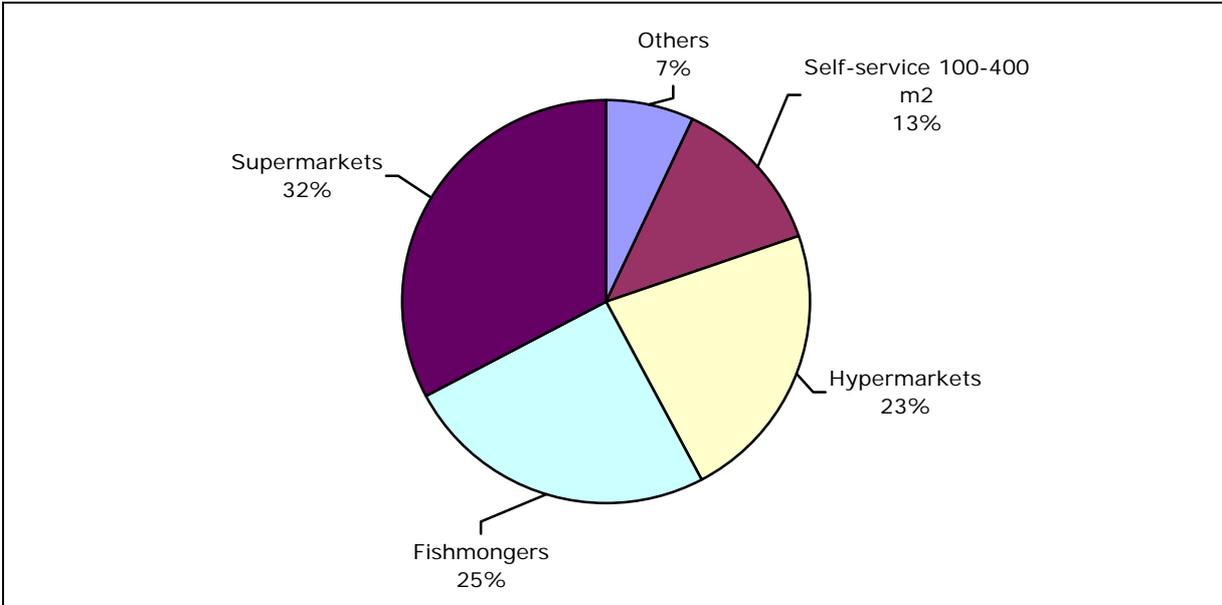
7.1.6 Spain

Spain has a large national production of fishery products. The major fishing ports are located in the northwest. Vigo is the biggest fishery port in Europe and the main point of activity in the fishing industry. From many other ports located in Galicia mostly small vessels operate.

When fish is offloaded in the harbours, it is sold to authorised wholesalers at auction. The fish is then distributed to central markets and to various specialized wholesale markets called MERCAs. MERCA is a state-owned company marketing both seafood and other foods to especially the HRI market. But retail sellers, ranging from the small fish shop to the large super- and hypermarkets, buy their fish at these markets as well. Of 22 MERCAs located in major Spanish cities, MERCAMadrid is the largest. In cities without a MERCA, food products are distributed through the central city market. Technicians from MERCAMadrid have implemented similar markets in other European and Latin-American cities. For more information see <http://www.mercamadrid.es/>.

The share of fishmongers in distribution of fishery products is still relatively large in Spain, although as elsewhere they are facing increasing competition. Fishmongers held a share of 25.1 percent of fish sales⁹ in 2004, down from 26 percent in 2002 (Figure 7.7). In the overall seafood market, fishmongers held a share of 40.4 percent by volume in 2001, while super- and hypermarkets had 59.6 percent. Naturally, supermarkets have the highest shares in frozen and canned seafood, while their share in fresh seafood was 50.6 percent in 2001 (Table 7.1)

Figure 7.7 Spanish retail sales of fish, by outlet, million euro, 2002 and 2004



Source: Mintel 2004d

Table 7.1 Seafood distribution in the retail market in Spain, 2001, share of volume

	Traditional	Supermarket	Hypermarket
Total seafood	40.4	43.7	15.9
Fresh seafood	49.4	38.9	11.7
Frozen seafood	24.8	50.8	24.4
Canned seafood	12.6	58.0	29.4

Source: USDA/FAS 2002c

As renowned seafood lovers, the Spanish also like to eat seafood out of home. HRI sales constituted 25.2 percent of total fish sales (by volume). The HRI segment is overrepresented in especially the frozen and smoked fish categories, while it uses relatively little fresh seafood (Table 7.2).

⁹ Fish only; shellfish is not included in data from Mintel.

Table 7.2 Consumption of fishery products in Spain, by product group 2001, share of volume

Product group	Households at home	Hotels, Restaurants and Institutions (HRI)
Fresh fish	79.2	20.8
Fresh shellfish	77.8	22.2
Frozen seafood	35	65
Canned seafood	81	19
Smoked fish	45	55
Total	74.8	25.2

Source: USDA/FAS 2002c

Pescanova SA (<http://www.pescanova.com>) is one of the largest food producers in Spain, commanding around 30 percent of the Spanish frozen fish market. It is located in Vigo and focuses on frozen fishery products and convenience (fishery) products. Pescanova SA has subsidiaries in Europe, Africa, Australia and South America.

The leading canned fish producer in Spain is Conservas Garavilla (<http://www.isabel.net>), which uses the Isabel brand, followed by Jesus Alonsa (Rianxeira brand, <http://www.rianxeira.com>) and Luis Calvo Sanz (Calvo brand). Together, these suppliers hold one-third of the total canned fish market in Spain. Spanish canneries have invested heavily in Latin-American plants, thus shifting production from Spain.

Frozen shrimp processors have also invested heavily in countries with shrimp resources. Pescanova and Frio Condal (<http://fis.com/friocondal/>) have affiliates in Argentina, Mozambique, Chile and Ecuador. The shrimp is generally frozen on board. Some are already packed on board in final consumer packs, some others are reprocessed in Spain. Important brands in Spain for frozen shrimp are Mariscos Rodriguez, Krustanur, Costasur, Pescarina, Riazur, Pescanova and Delfin.

Grupo Freiremar SA (<http://www.freiremar.es>) produces frozen fish under the Nakar brand, while its fresh fish is ultimately sold to the consumer unbranded. Freiremar is the third largest producer of branded fish in Spain, selling €201 million in 2004 (Mintel 2004d).

The Spanish fish industry has ultimately experienced processes of vertical integration, from the primary producers upwards, and of rationalisation, in which the businesses adding least value were eliminated. These processes were driven by the desire to add more value to the products, while also ensuring traceability (Mintel 2004d).

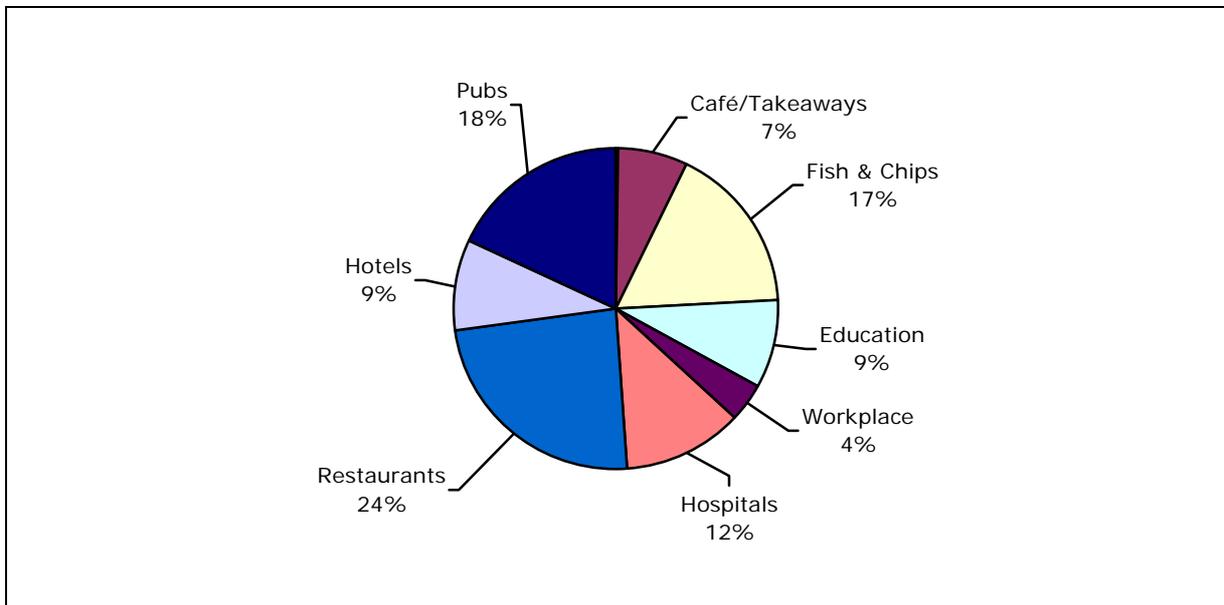
7.1.7 United Kingdom

Retail sales in the UK are strongly dominated by multiple retailers, accounting for 88 percent of the market by value in the year ending February 2004. Of the remaining 12 percent, fishmongers account for only 7, while freezer centres, cooperations and independents together account for 5 percent (Botha 2004). Instead of disappearing, however, wet fish counters are being transferred to inside the supermarkets. They are present in most large supermarkets, often augmented by cabinet displays of chilled and frozen fish.

Total retail volume was 280 thousand tonnes in the same period, while foodservice outlets used 115 thousand tonnes. Foodservice (HRI) sales thus command 29 percent of the market, compared to 71 percent for household (retail) sales (Seafish 2004). The

UK out-of-home market is served by a variety of outlets. The major group are restaurants, pubs and fish and chips shops (Figure 7.4).

Figure 7.8 Foodservice purchases by type of outlet, January 2005, share of weekly volume (product weight)



Source: Botha 2005

Commission agents are comparatively rare in the British frozen fish import business. In general, importers purchase whole shipments and sell onward to processors or wholesale distributors to the trade. Independent retailers are rapidly declining in importance. As more people shop at supermarkets, the distribution is rapidly becoming more centralised.

Leading companies in the fresh fish sector are Young's Bluecrest (<http://www.youngsbluecrest.co.uk>), Lyons Seafood (<http://www.lyons-seafoods.com>), MacFish (<http://www.macfish.com>) and Sea Products International which is now part of the Landauer Group (<http://www.landauergroup.co.uk>). There is very little branding in this sector. The frozen fish sector is led by Unilever with the Bird's Eye brand.

The canned fish market is dominated by two brands: John West (Heinz, <http://www.heinz.com>) and Princess (Mitsubishi). These manufacturers account for more than 60 percent of the market. John West's product range includes salmon, tuna, roes, pilchards, crab, mackerel, herrings, prawns, lobster and mussels. The company runs an active product development programme and has been at the forefront of the introduction of many new value-added products. Princess is also active in product development and has pioneered a number of value-added products such as tuna in lemon oil or olive oil, smoked sardines in sunflower oil, herrings marinated in garlic and cream, mustard and dill.

7.2 Distribution channels for developing country exporters

Exporters of fishery products will generally deal with European importers. These intermediaries have long-established links with their customers and are usually in a better position than foreign processors to know the requirements of the local market and of individual end users. They supply directly to supermarket chains, the processing industry or the end-product manufacturers and are financially able to support exclusive

contracts and advertising campaigns, as well as to service special requirements. Nevertheless, for the more experienced and established exporters in developing countries there may be opportunities to work directly with other parties in the chain. With their increasing power, multiple retailers might become interested to source certain products directly from overseas suppliers. In a similar fashion, the changes in the manufacturing sector may also lead to opportunities. Many observers expect that the fish processing and manufacturing industry will become more consolidated, partly as an answer to the increasing power of retailers and to the increasing importance of marketing. Increasing competition has forced many EU-based processors to outsource part of their operations to countries with lower wages (e.g. peeling of North Sea shrimps in Morocco). Traceability concerns are also becoming paramount, promoting the creation of more direct trading links.

Because of global competition and the increasing maturity of the sector, the processing industry in developing countries is growing in importance. Therefore, more value-added fishery products from developing countries are being exported to the EU. Still, importers remain the most natural distribution channels for these products. European importers supply more and more to supermarkets, which places high demands on the supply of fishery products: constant delivery; constant (low) price; constant and high quality. A fine example is the success of smoked or fresh aquaculture salmon, which meets the demands rather well, although the prices may vary.

8 PRICES

8.1 Price developments

As with any major commodity, fish prices are determined by global supply and demand. Especially canned and frozen fish is widely traded around the world. Fresh fish on the other hand, being highly perishable, may follow more regional trade flows. In addition to the market forces, there is active government intervention in most markets. In this regard, the European Union market is regulated by a system of intervention prices and tariff barriers, while supply is regulated by catch quota. However, since the Union's market is so dependent on imports, import tariffs are sometimes waived, as was the case for certain fish species in 2003, while many developing countries have free access to the market under the General System of Preferences (Chapter 9.2).

Long-term trends

Due to stable production and increasing global demand, seafood prices have tended to increase for several decades. This is especially the case on the European market where domestic stocks have become much scarcer. While this is favourable for producers, there is a risk that fish will become a luxury product, affecting future growth of sales. The increasing offer of expensive presentations of fish (e.g. pre-packed fillets) may have added to this expensive image, while many European consumers have become very price-conscious since the introduction of the euro. Indeed, volume sales have remained rather stable in most European markets in 2002. In Italy volume sales even decreased by 10 percent in 2002. Another risk is oversupply. In the case of shrimp, prices dropped dramatically in 2002, while the market continued to grow rapidly. Apparently, too many producers had started to supply this market. The prices for shrimp remained weak in 2003 and 2004 (Globefish 2005a). Nevertheless, the overall longer-term picture appears to be one of increasing prices and margins, making fishery products an interesting export category. But medium- and short-term developments may be very different. The devaluation of the dollar in 2003 and 2004 for instance had a moderating impact on the price increases of fishery products in Europe. For up-to-date information, please see the sources listed in section 8.2.

Euro-dollar exchange rate

The exchange rate of the US dollar to the euro is of great influence on the exports originating in developing countries. Since many developing country economies are closely linked to the dollar, costs are often based in dollars, while sales prices are quoted in dollars as well. As the value of the dollar has dropped considerably since 2002 reaching its lowest point in December 2005, these countries have become more competitive in the EU.

Prices of selected fish species relevant to developing countries are given below as per 15 December 2004. The details on species, product form, grading and origin illustrate the complexity of this market.

Table 8.1 Prices of selected species of fish and shellfish

Fish species	Product form	Grading	Price € per kg	Reference	Origin
Cephalopods					
Squid, Loligo spp.	Frozen - whole	S (<18 cm)	3.80	Spain cif	South Africa
		M (18-25 cm)	4.00		
		L (25-30 cm)	4.20		
Squid, Sepia spp.	Frozen – whole cleaned block	20-40 pc/kg	2.24	Italy cfr	Thailand
		40-60 pc/kg	2.16		
		>60 pc/kg	1.85		
Crustaceans					
Warmwater shrimp, Penaeus indicus	Frozen, FAS	10–100 pc/kg	3.28-11.97	Netherlands cfr	Kenya
	Frozen – Gamba whole, 1.5 kg per box	<10–>150 pc/kg	1.70-13.50	Spain exw	Ivory Coast
		Tails	9,70		
	Frozen – head on	10–60 pc/kg	1.95-3.60		
	Frozen – peeled 25% glazing	10–300 pc/lb	2.73-7.15	Spain cif	Far East
	Frozen – peeled 40% glazing	30-200 pc/lb	2.30-3.55	Spain cif	Far East
White leg shrimp, Penaeus vannamei spp.	Frozen – IQF, headed, shell on	26-40 pc/kg	4.94-5.83	European main ports cfr	China
Black tiger, Penaeus monodon	Frozen - FAS	1–80 pc/kg	4.06-16.22	Netherlands cfr	Kenya
	Frozen – whole 1.5 kg boxes	<10–80 pc/kg	7.00-15.00	Spain exw	Ivory Coast
	Frozen – whole 20% glazing	8–50 pc/kg	4.50-9.80		Banglades
Brown shrimp, Crangon crangon	Fresh – whole	No. 1 No. 2 No. 3	GBP 2.75 GBP 2.50 GBP 2.00	UK fob	UK
Norway lobster, Nephrops norvegicus	Frozen – whole 1350 gr net	9-35 pc/kg	5.30-14.40	Spain cif	The Netherlands

Fish species	Product form	Grading	Price € per kg	Reference	Origin
	Frozen – whole 1350 gr net	4-35 pc/kg	4.25-18.70		Scotland
	Frozen – whole	15-4- pc/kg	5.75-9.00	France cif	Ireland
Freshwater fish	nontraditional				
Nile perch, Lates niloticus	Frozen fillets, 2x6 kg box	100-400 g/pc 400-1000 gr/pc	3.00 3.05	Spain cif	Kenya, Uganda, Tanzania
	Fresh fillets	200-400 gr/pc 400-700 gr/pc	4.50 4.50	Europe cif	
Bivalves					
Oyster, Crassostrea gigas	Live, bulk	G2-G3 G1-G4	2.25 1.80	France cif	Ireland
Mussel, Mytilus edulis	Live, bouchot mussels, packed	15 kg jute bag	0.80	Ex farm	France
	Live, bottom mussels, bulk	80 pc/kg	0.80		Ireland
	Live, farmed, bulk		1.50	Italy cif	Spain
Clam, Ruditapes decussatus	Live, farmed	Medium– Large	5.50	Italy cif	Italy
	Live, wild		15.00	Italy cif	Greece
Tuna					
	Frozen yellowfin loins	Double cleaning	3.09	Europe cfr	South America
	Frozen skipjack loins	Single cleaning	2.78		
	Frozen yellowfin whole	> 10 kg/pc	1.35*	Spain cfr	Sp. & Fr. vsls
	Skipjack loins, single cleaning		2.67		Ecuador
			2.70		Portugal ddp
			2.82		
	Frozen skipjack whole	>1.8 kg/pd	0.85	Spain ddp	Sp. vessels – Atl. Ocean
	Bigeye loins – double cleaning		2.67		Ecuador
	Yellowfin whole		1.25	Italy cif	Atlantic Ocean
	Yellowfin loins – double cleaning		3.40	Italy cif	Kenya/ S. America/Solomon Isl.

Fish species	Product form	Grading	Price € per kg	Reference	Origin
	Yellowfin whole	> 10 kg	1.40	Italy cif	Fr. & Sp. vsls
			1.30		Taiwanese vsls, Pacific
	Yellowfin loins single cleaning		3.17	Italy ddp	South America
			2.29		Ecuador
			2.67	Portugal cif	
Other species					
Hake, Merluccius hubbsi	Frozen, skinless, boneless, regular	16.5 lb	1.78*	Germany cfr cfr	Argentina
	FAS – fillet deepskinned, boneless	16.5 lb	2.05	Germany cfr	Argentina
Merluccius capensis	IWP – H&G	100-200 gr/pc	0.95	Spain cif	Namibia
		--- 2000+	--- 2.70		

Source: Globefish 2005k

8.2 Sources of price information

The FAO-sponsored Globefish network probably provides the most accessible information on price developments over a wide range of commodities. Daily information on wholesale prices of all fish species is freely available for the French market and, for those interested, for the Australian market as well. The French site also covers retail prices. For additional information requirements subscriptions to various professional magazines and trade bulletins can be considered.

Globefish

The FAO-sponsored Globefish and its network of partners around the world publish the European Fish Price Report on a monthly basis. The publication lists prices of all major fish species traded in Europe, while also discussing market trends. The report can be ordered through the internet for €100 (<http://www.globefish.org/>).

The regular Globefish Market Reports also cover all major fish species, but focus on market developments, which include price trends. These publications are freely available on the internet.

Service des Nouvelles des Marchés (SNM)

The French government sponsored Market News Service provides price information on a daily basis about all fishery products traded on French wholesale markets such as Rungis (Paris) and Rouen. While the basic services are free, more advanced facilities are available for subscribers (<http://www.snm.agriculture.gouv.fr/>).

Infish Trade News

This two-weekly bulletin of Infish, the Asian Pacific member of the Globefish network, features indicative prices in major international markets. It is available to subscribers for about US\$400 a year. Products covered are live, fresh or chilled, frozen, dried/salted, and canned fish and fishery products. The bulletin gives special coverage to groundfish, tuna, shrimp, and cephalopods in major markets (<http://www.infish.org/>).

World Fish Report from Agronet

Two-weekly report containing information on fish trade and prices. Available against a fee (<http://www.agra-net.com/>).

Public Ledger

The Public Ledger is a weekly publication on commodity trade including prices, but it does not cover fish. It does publish prices of fish oil (<http://www.public-ledger.com/>).

International Trade Center (ITC)

Although the ITC (<http://www.intracen.org/>) does not publish prices of fishery products as it does for agricultural commodities, it provides links to interesting market reports and sources of information under its Product Maps facility. This facility is available for subscribers only at <http://www.p-maps.org/>.

Other useful internet sites on prices

Fish Information & Services: <http://www.fis.com/fis/marketprices>

Up-to-date market prices at several auctions: <http://www.pefa.com/>

Sydney Fish Market. <http://www.sydneyfishmarket.com.au/>

9 EU MARKET ACCESS REQUIREMENTS

This chapter is modelled upon CBI's Access Guide, a major source of information about EU market requirements, which is regularly updated. More information can be found at <http://www.cbi.nl/accessguide>.

A distinction is made between Non-Tariff Trade Barriers (Chapter 9.1) and Tariffs and Quota (Chapter 9.2). The term trade barrier, however, is somewhat misleading, since market requirements are a core element of market analysis, and may equally be perceived as opportunities. Both public and private market requirements have a close relation to consumer preferences and concerns.

9.1 Non-tariff trade barriers

This section provides a broad perspective on market requirements specific to fishery products. Product Legislation, (other) Market Requirements, Occupational Health and Safety, Environmentally Sound Production, and Packaging, Marking and Labelling will be discussed.

9.1.1 Product legislation

Product quality is the key to successful penetration of the EU market. The European market generally demands high quality products. Compliance with the health and food safety legislation is a must for gaining market access. Since the European harmonisation of legislation is largely completed, most of the legislation on product quality, health and safety applies throughout the EU. Some European countries, however, e.g. France and Italy, apply more strict national legislation than those stipulated by the European Commission. As a consequence, fishery products destined for those countries may be rejected by the national authorities, while complying with the EU conditions.

Establishments must be approved by competent bodies

The key feature of the current EU Directives is that all fishery products imported from third countries (not EU member states) into the EU must come from a preparation, processing, packaging or storage facility ('establishment') which is approved by the EU-recognised competent body in the country concerned. This implies that the national authorities of the third countries should be able to demonstrate that certain fundamental principles are satisfied, which are:

- The animal health situation in non-EU countries satisfies EU requirements for imports of the animals or products in question.
- National authorities in non-EU countries can provide rapid, regular, information on the existence of certain infectious or contagious animal diseases on their territory, in particular those diseases mentioned in lists A and B of the International Office of Epizootic Diseases.
- There is effective legislation in the non-EU country on the use of substances, in particular concerning the prohibition or authorisation of substances, their distribution, release onto the market and their rules covering administration and inspection.
- There is an acceptable programme in the non-EU country to monitor the presence of certain substances (e.g. veterinary medicines) and the residues thereof in live animals and animal products for which export approval is sought.
- The veterinary services in the non-EU country are capable of enforcing the necessary health controls.
- There are effective measures in the non-EU country to prevent and control certain infectious or contagious animal diseases.

In addition, the national authorities must guarantee that the processing establishment satisfies EU requirements. In practice, such establishments need to comply with the same requirements as establishments within the EU.

Harmonised and non-harmonised countries

The requirements on the sanitary control system of third countries have given way to different categories of countries, depending on their status of approval. These countries feature on official country lists, which are frequently updated by the European Commission (Appendix 6). There are different lists for the import of fishery products in general and for the import of bivalves, since the latter involves specific health risks. A specific arrangement exists for countries belonging to the European Economic Area, i.e. Iceland and Norway, and for the Faeroe Islands.

There are thus four different categories of countries exporting fishery products to the EU:

- Iceland, Norway and the Faeroe Islands;
- Harmonised Countries;
- Provisionally Harmonised Countries;
- Non-harmonised Countries.

For each of the first three categories the export process is different. One of the differences regards the required health certificate. Import from non-harmonised countries into the EU is not allowed.

Health certificate

Imports of fishery and aquaculture products into the EU must be accompanied by a health certificate. This health certificate lists the conditions and the (veterinary) checks that must have been performed or met before products are allowed onto the EU market. It is checked very strictly. The health certificate needs to be written in the official language of the country of introduction into the EU and, if necessary, in that of the country of destination. EEA countries are exempt from this obligation.

Health requirements

The product legislation most relevant to producers in third countries will be discussed below. This regards both general legislation on hygiene and animal health conditions and specific legislation on issues such as food packaging materials and residue and contaminant control.

Directive 91/493/EEC and its amendments lay down the health conditions for the production and placing on the market of fishery products.

The placing on the market of the following species of fish is forbidden:

- poisonous fish of the following families: Tetraodontidae, Molidae, Diodontidae, Canthigasteridae;
- fishery products containing biotoxins such as ciguatera toxins or muscle-paralysing toxins.

Other requirements in the Directive that are relevant for producers include:

- conditions applicable to factory vessels;
- requirements during and after landing;
- general conditions for establishments on land;
- special conditions for handling fishery products on shore (processing, freezing etc);
- requirements for packaging;
- requirements for identification marks;
- requirements for storage and transport.

Directive 91/492/EEC and its amendments lay down the health conditions for the production and placing on the market of live bivalve molluscs, i.e. filter-feeding lamellibranch molluscs.

Relevant requirements for producers in third countries laid down by the Directive are:

- conditions for production areas;
- requirements for harvesting and transportations of batches to a dispatch or purification centre, relaying area or processing plant;
- conditions for relaying live bivalve molluscs;
- conditions for the approval of dispatch or purification centres;
- requirements concerning live bivalve molluscs;
- wrapping;
- conservation and storage;
- transport from the dispatch centre;
- marking of consignments.

Directive 91/67/EEC and its amendments concern the animal health conditions governing the placing on the market of aquaculture animals and products.

Directive 92/48/EEC lays down minimum hygiene rules applicable to fishery products caught on board certain vessels in accordance with Article 3 of Directive 91/493/EEC.

Council Regulation (EC) no 1093/64 sets the terms under which fishing vessels of a third country may land directly and market their catches at Community ports.

Harmful substances and contaminants in fishery products

The EU has detailed legislative controls in place on the use and monitoring of a wide range of veterinary drugs and other substances in, among others, fish and fishery products. Legal controls over prohibited substances in respect of the animals and products intended for export must be effected in the third country. An adequate monitoring program and laboratory facilities must be in place. Directives most relevant for fishery products are:

Commission Regulation (EC) No 466/2001 sets maximum levels for certain contaminants in foodstuffs. For fishery and aquaculture products maximum levels are set for mercury, cadmium and lead (heavy metals).

Directive 96/22/EEC prohibits the use of certain substances with a hormonal and thyreostatic performance, including β -antagonists, in aquacultural products.

Commission Regulation (EC) No 2377/90 lays down maximum residue limits of veterinary medicinal products (MRL's).

Commission Decision 95/249/EC fixes the total volatile basic nitrogen (TVB-N) limit values for certain categories of fishery products and specifies the analysis methods to be used.

Allowed packaging material

Directives concerning food packaging material: framework *Directive 89/109/EEC* on materials and articles coming into contact with foodstuffs, and specific Directives concerning plastic food packaging material (*Directive 2002/72/EC*), food packaging material made of regenerated cellulose film (*Directive 93/10/EEC*) and food packaging material containing vinyl chloride monomer (*Directive 78/142/EEC*).

Additional conditions

A product such as sturgeon (containing caviar) is only allowed to be imported into the EU accompanied by a CITES certificate issued by the exporting country. A CITES certificate is also needed for its re-export out of the EU.

Since January 1, 2005, new legislation on food safety has been introduced in the EU (Regulation 2002/178). Many of the actors involved in the food production chain within the EU need to have a HACCP and traceability system in place. Also the food hygiene legislation has been grouped into new laws which include a requirement for all third countries exporting food products to the EU to have a HACCP system in place as of January 1, 2006 (see also paragraph 8.3.2).

More information about product legislation can be found in CBI's AccessGuide.

9.1.2 Market requirements

Environmental and social aspects of production and trade have become major issues in Europe, influencing success in marketing. Besides governmental actions (legislation), there is a strong consumer movement, especially in the northern parts of the EU (e.g. Scandinavia, Germany and the United Kingdom). Health and food safety are also important issues within the consumer movements. Also the retail organisations have been active in the debate on food related concerns. There are several private (retail) initiatives such as EurepGAP and GFSI that aim at a higher level of food safety and quality. In short, the market requirement can be divided into (retail) management systems, product labels and code of good practices. Some important voluntary certification schemes for fishery products and other initiatives are discussed below.

(Retail) management systems

- EurepGAP Integrated Aquaculture Assurance Standard

Aquaculture may be an alternative to continued over-exploitation of wild fish stocks. However, if aquaculture activities are not managed in a sustainable way, their negative environmental impact will be larger than the positive impact. EurepGAP is an initiative of retailers belonging to the Euro-Retailer Produce Working Group (EUREP). EurepGAP comprises a set of standard to assure safety, quality and environmental impact of food products. It has been adopted widely in the area of fresh fruits and vegetables. Since December 2004, a new standard has been introduced for farmed fish. Detailed information is available at <http://www.eurep.org/>.

- Global Food Safety Initiative regarding processed fish

The Global Food Safety Initiative (GFSI) was launched in May 2000, following recognition by a group of international retailer executives of the need to enhance food safety, ensure consumer protection, strengthen consumer confidence, set requirements for food safety schemes and improve cost efficiency throughout the food supply chain. The Initiative is facilitated by CIES – The Food Business Forum, an international networking organisation of retailers. It is based on the principle that food safety is a non-competitive issue, as any potential problem arising may cause repercussions in the whole sector. The Initiative developed Key Requirements against which existing food safety standards have been benchmarked. The first four compliant standards are the BRC Technical Standard, the Dutch HACCP Code, the EFSIS standard and the International Standard for Auditing Food Suppliers (International Food Standard). See <http://www.ciesnet.com/>.

- Hazard Analysis of Critical Control Points (HACCP)

HACCP has been developed to minimize the risk of contamination of food products during processing. It has been widely adopted as a system for food safety control. More and more HACCP certificated are mandatory in trade and exports. As of January 2006, parties from third countries wishing to export their food products to the EU need to have a HACCP certificate and fulfil other EU food safety control matters (*Commission Regulation No 852/2004* and *Commission Regulation No 853/2004*). More information can be found in the CBI document on International hygiene management system: HACCP, available at <http://www.cbi.nl/accessguide/>.

Labels

- MSC and other labels regarding capture fisheries



The MSC label is the most important label for capture fisheries. The Marine Stewardship Council (MSC) is an independent global non-profit organisation. In a bid to reverse the continued decline in the world's fisheries, the MSC is seeking to harness consumer purchasing power to generate change and promote environmentally responsible stewardship of the world's most important renewable food source. The MSC has developed an environmental standard for sustainable and well-managed fisheries. It uses a product label to reward environmentally responsible fishery management and practices. More information can be found at <http://www.msc.org/>. Other important labels refer to the safety of dolphins in tuna fishing, including the labels 'dolphin-friendly', 'dolphin-safe' and the 'Flipper Seal of Approval'. These labels are particularly important in the US, where dolphin safety is a major issue, but products with dolphin-friendly labels can also be found in Europe. A 'turtle-safe' label exists for shrimps and prawns. More information on dolphin and turtle safe labels can be found at the site of the Earth Island Institute (<http://www.earthisland.org/>).

- Organic fish

Although at this moment organic fish is a small niche market, the importance is growing. Organic salmon, trout, carp, and shrimps and prawns are the major products in this market. Organic production is regulated by EU governments that protect the use of the organic label. More information can be found on the site of the International Federation of Organic Agricultural Movements (IFOAM, <http://www.ifoam.org/>). IFOAM develops and publishes standards for organic production and products, including a standard for aquaculture. The organic label concerns not only the product but also the method of production and is therefore more than a product label.

Benefits of certification

1. Independent recognition of good fishery management;
2. Stability of supply, guaranteeing the future of the fishery and the markets it supports;
3. Improvements in the management of certified fisheries resulting from the requirements imposed by the certifiers for maintaining ongoing certification;
4. Opening new markets and increasing market share in existing markets;
5. Preferred supplier status and the potential for increased returns;
6. Improving relationships within industry, processors, retailers and conservation groups;
7. Improved industry environmental credentials;
8. Increasing political and public recognition of good management practice, improves security of access to fisheries resources.

Codes of conduct

1. FAO Code of Conduct for Responsible Fisheries

FAO has developed a global Code of Conduct for Responsible Fisheries that includes principles and standards for the conservation, management and development of all capture fisheries. The Code was unanimously adopted on 31 October 1995 by the FAO Conference, providing an important framework for national and international efforts aiming at sustainable exploitation of aquatic living resources. The Code recognises the nutritional, economic, social, environmental and cultural importance of fisheries, while taking into account the biological characteristics of the resources and their environment, as well as the interests of consumers and other users. States and all those involved in fisheries are encouraged to apply the Code and put it into effect. In accordance with its mandate, FAO is committed to assisting Member States, and developing countries in particular, in the efficient implementation of the Code. More information can be found at: <http://www.fao.org/fi/agreem/codecond/ficonde.asp>.

More information on labels, management systems and codes of conduct can be found in <http://www.cbi.nl/accessguide/>.

9.1.3 Occupational health and safety

Occupational health and safety requirements are developed because of the growing concern in Europe about the local production conditions in which fish is being caught and processed. During the processing of fish (products) employees could be exposed to different health and safety risks. Depending on the activities of a company –open see fishery, aquaculture, fish processing and/or packing–, other health and safety risks may be relevant. It is important to address these risks by taking appropriate measures in order to create safe working conditions. In AccessGuide you will find general and specific information on labour conditions in the sector.

In AccessGuide you can find the following documents specifically relevant to considerations and measures regarding occupational health and safety of workers in general and additional information.

1. AccessGuide intro: occupational health and safety
2. Food processing: occupational health and safety

All documents are available at <http://www.cbi.nl/accessguide/>.

9.1.4 Environmentally sound production

Increasing attention is being given to the impact of production processes on local environments (environmentally sound production (ESP)). The fishery sector has many and diverse impacts on the environment, including the depletion of stocks (through wild-catch fisheries), the destruction of natural habitats (e.g. mangrove forests), and the contamination of surface waters (especially in aquaculture). The benefits of ESP are not only a cleaner environment and reduction of environmental impacts, but may also include higher efficiency, a better product quality and an improved company image. This may in turn result in new or better market opportunities. An introduction to ESP is given in AccessGuide, as well as a number of fisheries specific other documents:

- AccessGuide intro: environmentally sound production
- Fishery/aquaculture: cleaner production options
- Fishery: end-of-pipe treatment measures
- Fish: hygiene requirements

All documents are available at <http://www.cbi.nl/accessguide/>.

9.1.5 Packaging, marking and labelling

Packaging is used to protect the fishery products against mechanical damage and to create a more favourable microclimate. It is an essential aspect of product quality, since it both represents the product and protects it. It is also an essential means of communication with the customer. Packaging and labelling are especially important when the product is distributed by super- and hypermarkets, while they play a somewhat smaller role in foodservice and traditional retail outlets. In those channels other assurances and personal communication with the customer may supplement the function of packaging in promotion.

Material and size

A wide and highly differentiated range of packaging types and materials is used for fishery products. Some points of consideration for choosing the proper packaging material are:

- weight of the product
- size of the product
- number of items being packed in one carton
- health
- odour
- possibility to stack
- visual appeal
- handling comfort
- environmental issues

Environmental issues also play a role in packaging, as well as food safety. For example, European legislation requires that plastic bags inside cartons should be of a food-grade quality. This means that the contact between food and plastic is not harmful. In the case of canned fishery products, there are requirements for the cadmium and mercury content. The European Commission has published a so-called “positive list” of plastics. In relation to the waste policy of the EU and the individual member states, it is important for exporters to find out from their trade partner in the EU about the latest requirements. Especially the use of waxed and coated cartons, which cannot be recycled, is critical. More information on packaging and waste legislation can be found in AccessGuide ‘Introduction to Packaging’, available at <http://www.cbi.nl/accessguide/>.

Modified Atmosphere Packaging (MAP) is a packaging technique for fresh products that is rapidly increasing in popularity. This technique involves surrounding a food product with a gas or a mixture of gases with the aim of extending its shelf life. By modifying the concentration of gases normally found in the air, the ageing and deterioration of a product are slowed down. When MAP is applied optimally, it guarantees a seven-day shelf life in the supermarket, about two days longer than previously. The recommended mixture differs for every combination of size and species. Another packaging technique is vacuum packaging, which is especially popular for smoked products.

Some particular types of packaging are described below:

Tin cans

The cans for tuna, shrimp and salmon generally contain a net product weight of between 174 and 213 gram. While the 213-g can is the traditional standard can from the United States, there is a tendency towards slightly smaller sizes. Nowadays, products are imported from a number of Southeast Asian and Latin American countries packaged in 174 (e.g. processors in Thailand) or 200-g cans (processors in Malaysia and Chile). While e.g. salmon is also available in bigger pack sizes (400–420 g), the

smaller cans are much more common. The cans for sardines, mackerel and pilchard or herring are generally different: so-called flat quarters with a ring-pull system, net weight 120–125 g.

The differences in can size and net weight can be rather confusing for consumers. The cans look alike but the sizes are different. To date, there is no standardisation. However, if the trend towards reducing packaging size continues, the EU may take measures in order to safeguard consumer interest. That may entail standardisation of the packaging.

Wholesale packaging

When the end-users of fishery products exported to the EU are other businesses rather than consumers, the graphic designs on the packaging can be kept more simple. B2B packaging is generally more functional and less a promotional instrument. (Although to some extent it still is.) This is often the case for exporters of frozen fish and crustaceans.

Frozen shrimp is generally packed in polyethylene bags in 2-kg carton boxes, with six to ten cartons placed in an outer box of corrugated fibreboard. The inner pack should state the net weight (on arrival at final destination), expressed in kg and not in lbs, character size 6 mm. The inner box is usually a white, fresh looking folding carton, in one or two pieces (bottom and cover), with an inner bag of polyethylene around the frozen block.

The packaging of frozen fish depends on whether the product is whole, filleted, or processed in more elaborate ways (value-added products). The basic principle, however, is identical to the packaging of frozen shrimp: a carton containing a polyethylene bag around the frozen block, or around interleaved fillets or other products.

All fishery products should be packed in such a way that they can be stacked and transported on pallets, thus increasing the efficiency in transport and handling and reducing the risk of damage. For the use of wooden packaging material such as pallet additional legislation exists. More information on wood packaging materials can be found in CBI's AccessGuide.

Packaging for industrial use

Industries increasingly demand deep-frozen, individually portioned products, partly as a result of the consumer demand for ready meals. For example, frozen shrimps are kept in stock in bags of 100 pieces and used when needed for a ready meal. Fresh tuna is kept in stock as well, but on a small scale to date. The packaging method for cod, hake or Alaska pollack that will be breaded or used as fish fingers is in blocks of 3 x 7.5 kg.

Management of packaging waste

The European Union has an active policy for the reduction of packaging waste, and the promotion of recycling. The European Commission presented the Export Packaging Note in October 1992, in line with the effort of the European Union to harmonise national measures concerning the management of packaging and packaging waste. The packaging note was followed by a Directive in December 1994 (94/62/EC) that emphasises the recycling of packaging material. (See CBI's Accessguide available at <http://www.cbi.nl/accessguide>)

European and national policies may require the exporter to minimize the amount of packaging materials (transport packaging, surrounding packaging and sales packaging), and give preference to materials that are re-usable or recyclable.

Otherwise, the importer will be confronted with additional costs, thus reducing his competitiveness.

Labelling

Foot and Mouth disease, BSE crisis, heavy metals... Each of these crises has reinforced the need for information, communication and transparency towards consumers. All new EU legislation is (and will be) based on consumer confidence and safety in such a way that "the consumer will not be misled by any product or packaging". The two main laws with respect to labelling are the Council Regulation 2000/104/EC and the Council Directive 2000/13/EC. However, additional legislation is expected in the context of public safety and organic food.

For sanitary purposes, and especially to allow traceability of seafood products, the EU legislation requests that all packages bear the country of origin and the approval number of the establishment of origin. Those two items must be written or printed "indelibly". The most desirable way would be to have them pre-printed on packages (usually cartons). In some cases stick-on labels may be used, but they must not be easily removable, e.g. by tearing into small pieces when attempts are made to remove them. Labels must be in a language "easily understandable" by users. National legislation may require the official language or, in some cases, languages. It is always better to use those. Labels in several languages may be used.

Commission Regulation 2001/2065/EC concerns new requirements for the labelling of fishery and aquaculture products intended for the retail sector. Three sets of information are now compulsory on the label of any fishery and aquaculture products on sale at retailers:

- The commercial name of the species (the scientific name is not compulsory on the label except if the customer requires it). Each Member State has established a list of commercial names applicable. These lists are available on the EU web site (<http://europa.eu.int>).
- The production method (aquaculture or capture fishery product). The proper language to use is "caught in...", "caught in fresh water", "farmed" or "cultivated".
- The catch area. Products caught at sea have to show the area of capture. However, only the general area has to be mentioned (Pacific Ocean for example) and not the area codes. Products caught in fresh water require a reference to the Member State or third country of origin of these products. As for farmed products, the text refers to the Member State or third country in which the product undergoes the final stage of development.

In order to ensure perfect traceability at all stages of the marketing process, fishery and aquaculture products have to be accompanied by a document indicating the information described above as well as the scientific name of the products. The document concerned can be the invoice.

Fresh and chilled products	Frozen products	Live bivalve molluscs	Canned products
<p>species country of origin (roman letters, min. 2 cm) presentation (whole, gutted, fillet, etc) freshness grade and size category (for species with common standards, min 5 cm) net weight in kg (except for standard boxes, average net weight is enough) date of grading and dispatch name and address (city + state) + "Sanitary Authority approval #" of processor/packer</p> <p>Freshness grading only applies to whole/gutted fresh fish.</p>	<p>species followed by the word "frozen" country of origin presentation (may be included with the name of the species) net weight in kg list of ingredients (except if fish only) date of minimum durability (month/year) or "best before" date (see directive 2000/13/EC) special storage conditions (to be maintained at - 18° C) instructions for use (if not obvious), incl. "do not freeze again once thawed" name and address of the manufacturer, or of a seller in the EC "Sanitary Authority approval #" of the packer (CFN) Lot # (it must begin with "L" or the world "LOT") (not always mandatory). The lot # is defined by the processor in order to be able to trace a product history in case of problem. It can be the production date.</p>	<p>species (common name <u>and</u> scientific name) country of dispatch date of wrapping (at least day and month) date of durability or "these animals must be alive when sold" net weight (kg) identification of the dispatch centre by its approval number name and address (city + state) of packer + "Sanitary Authority approval #"</p>	<p>name of product country of origin net weight in grams (or litre for liquid products) net drained weight (in case of solid packed in a usually-not-consumed liquid) list of ingredients (added water is an ingredient) date of minimum durability (year) any special storage conditions or conditions of use instructions for use (if not obvious)</p>

Source: CBI 2003

The internet site of EURLEX provides access to all European legislation (<http://europe.eu.int/eur-lex>). The site of the International Trade Centre provides further information on packaging (<http://www.intracen.org/ep>). Since changes in the EU policy follow each other at a rapid pace, exporters are advised to contact the relevant authorities and the importer about the latest requirements on packaging and labelling.

9.2 Tariffs and quotas

Customs duties

In general, all goods entering the EU are subject to import duties, including fishery products. Import duties are determined by EU legislation. The level of the tariffs depends on the country of origin and the product. After their accession to the EU in May 2004, the ten new members have fully adopted the tariffs and preferences of the EU in fishery products.

Several countries or groups of countries have preferential access to the EU market following specific agreements:

An overall duty-free scheme for all fishery products applies to the African, Caribbean and Pacific (ACP) countries that have signed the partnership agreement with the EU of Cotonou, the successor of the Lomé agreement, in 2000. The ANDEAN group also enjoys a free rate on most fishery products under the General System of Preferences (GSP), which is intended to help these countries to combat drugs.

The EU's GSP grants products imported from GSP beneficiary countries either duty-free access or a tariff reduction depending on which of the five GSP arrangements the country enjoys. Council Regulation (EC) No 2501/2001 contains the legal provisions for the current GSP scheme applicable for the period 1.1.2002 - 31.12.2005. Five different arrangements are available for beneficiary countries under the EU's GSP:

- All beneficiary countries enjoy the benefit of the general arrangements;
- The special arrangements for least developed countries (LDC's), also known as the "Everything But Arms" (available at <http://europa.eu.int>) initiative, provide the most favourable treatment;
- The special arrangements to combat drug production and trafficking are intended to assist beneficiary countries in their fight against drugs;
- The special incentive arrangements for the protection of labour rights are available on request to countries implementing certain labour standards;
- The special incentive arrangements for the protection of the environment are available on request to countries implementing certain standards for the sustainable management of tropical forests.

Table 9.1 gives a detailed overview of customs duties per fishery product and for a list of countries that benefit from the GSP. Information about customs duties and GSP can be obtained from;

1. European Commission at http://europa.eu.int/comm/trade/issues/global/gsp/index_en.htm or
2. EU helpdesk Expanding Export at <http://export-help.cec.eu.int/>
3. Customs organizations in the country of destination. Contact details can be found at the site of the international customs organisation: <http://www.wcoomd.org/>.
 - o Specific information about the European Union customs tariffs can be found at the TARIC site: http://europa.eu.int/comm/taxation_customs/dds/cgi-bin/tarchap?Lang=EN

Table 9.1 Import tariffs on the most important fishery products from developing countries in the EU as on 9th July, 2003

Description (and HS codes for the product group)	Conventional	SPGA/ SPGE	SPGL	Chile	Mexico
0302 Fish, fresh or chilled, excluding fish fillets and other fish meat of heading 0304					
Tuna (albacore, longfin, yellowfin, skipjack, bonito)	0–22	0	-	20	13.2
Sardines	13–23	0	-	11.8– 20.9	7.8– 13.8
Hake	15	0	-	13.5	9
0303 Fish, frozen, excluding fish fillets and other fish meat of heading 0304					
Tuna (industrial use / other)	0–22	0	-	20	13.2
Sardines	13–23	0	-	11.8– 20.9	7.8– 13.8
Hake	15	0	-	13.6	9
0304 Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen					
Tuna	18	0	-	16.3	10.8
Hake	7.5	0	0–4	3.5	0
0306 Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; crustaceans, in shell, cooked by steaming or by boiling in water, whether or not chilled, frozen, dried, salted or in brine; flours, meals and pellets of crustaceans, fit for human consumption					
Rock lobster and other sea crawfish (frozen)	12.5	0	0–4.3	3.4	0
Lobster (frozen)	6–16	0	0–5.6	1.6–4.4	0
Shrimps and prawns (frozen)	12–18	0	0–4.2	3.3– 16.3	0–10.8
Crabs (frozen)	7.5	0	0–2.6	0	0
Rock lobster and other (not frozen)	12.5	0	0–4.3	3.4	0
Lobster (not frozen)	8–10	0	0–3.5	2.2–2.8	0
Shrimps and prawns (not frozen)	12–18	0	0–4.2	3.3– 16.3	0–10.8
Crab (not frozen)	7.5	0	0–2.6	2	0
0307 Molluscs, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; aquatic invertebrates other than crustaceans and molluscs, live, fresh, chilled, frozen, dried, salted or in brine; flours, meals and pellets of aquatic invertebrates other than crustaceans, fit for human consumption					
Oysters	0–9	0	0–3.1	2.4	0
Scallops	8	0	0–2.8	2.2	0
Mussels	8–10	0	0–6.5	2.2–5.2	0
Cuttlefish, squid	6–8	0	0–2.8	2–2.2	0
Octopus	8	0	0–2.8	2.2	0
1504 Fish oil					
	0–10.9	0	0–7.4	0–9.5	1.7–7.8
1604 Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs					
Tuna (whole or in pieces, but not minced)	12–24	0	-	8	7.9
Sardines, sardinella and brisling or sprats	12.5	0	0–9	6.9–7.8	7.5– 10.8

Description (and HS codes for the product group)	Conventional	SPGA/ SPGE	SPGL	Chile	Mexico
Sardines (other)	25	0	0-17.5	15.9- 22.7	10.5- 21.7
Tuna (other)	24	0	-	8	7.9
1605 Crustaceans, molluscs and other aquatic invertebrates, prepared or preserved					
Crab	8	0	0-2.8	2.2	0
Shrimps and prawns	20	0	0-7	5.6	0
Lobster	20	0	0-7	5.6	0

SPGA

Afghanistan, Angola, Bangladesh, Burkina Faso, Burundi, Benin, Bhutan, Congo, Central African Republic, Cape Verde, Djibouti, Eritrea, Ethiopia, Gambia, Guinea, Equatorial Guinea, Guinea-Bissau, Haiti, Cambodia, Kiribati, Comoros (excl. Mayotte), Laos, Liberia, Lesotho, Madagascar, Mali, Myanmar, Mauritania, Maldives, Malawi, Mozambique, Niger, Nepal, Rwanda, Salomon Islands, Senegal, Sudan, Sierra Leone, Somalia, Sao Tomé & Príncipe, Chad, Togo, Tuvalu, Tanzania, Uganda, Vanuatu, Samoa, Yemen, Zambia.

SPGE

Bolivia, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Guatemala, Nicaragua, Pakistan, Panama, Peru, Venezuela

SPGL

UNITED Arab Emirates, Antigua and Barbuda, Anguilla, Armenia, Netherlands Antilles, Antarctica, Argentina, American-Samoa, Aruba, Azerbaijan, Barbados, Bahrain, Bermuda, Brunei, Brazil, Bahamas, Bouvet Island, Botswana, Belarus, Belize, Cocos Islands, Congo (Republic), Ivory Coast, Cook Islands, Chile, Cameroon, China, Cuba, Christmas Island, Cyprus, Dominica, Dominican Republic, Algeria, Egypt, Fiji, Falkland Islands, Micronesia, Gabon, Grenada, Georgia, Ghana, Gibraltar, Greenland, South Georgia and the South Sandwich Islands, Guam, Guyana, Heard and McDonald Islands, Indonesia, India, British Oceania, Iraq, Iran, Jamaica, Jordan, Kenya, Kyrgyz Republic, St. Kitts-Nevis, Kuwait, Cayman Islands, Kazakhstan, Lebanon, St. Lucia, Sri Lanka, Libya, Morocco, Moldavia, Marshall Islands, Mongolia, Macao, Montserrat, Mauritius, Mexico, Malaysia, Namibia, New Caledonia, Norfolk, Nigeria, Nauru, Niue Island, Oman, French Polynesia, Papua-New-Guinea, Philippines, Pakistan, St. Pierre and Miquelon, Pitcairn, Palau, Paraguay, Qatar, Russia, Saudi-Arabia, Seychelles, St. Helena, Senegal, Surinam, Syria, Swaziland, Turks & Caicos Islands, French Southern Areas, Thailand, Tajikistan, Tokelau Islands, Turkmenistan, Tunisia, Tonga, Trinidad and Tobago, Ukraine, Uruguay, Uzbekistan, St. Vincent (VC), British Virgin Islands, Virgin Islands (USA), Vietnam (VN), Wallis and Futuna Islands, Republic of South Africa, Zimbabwe

9.2.1 Reference price system

The EU has laid down reference prices for a selected number of fishery products as a verification point for the prices realised. Reference prices do not have a binding status and developing countries are allowed to export to the European Union for prices below the reference prices. Reference prices can act as a form of protection of the EU market, if considered necessary by the EU Commission. The EU countries report imports below the reference price to the EU in Brussels. If large volumes of fish continue to be imported below the reference price, the EU will set the reference prices as minimum import prices, just as it has done for example in the case of cod. However, the possibility to use this measure is considerably restricted by the rules of the World Trade Organisation (WTO).

Value-added Tax (VAT)

Value-added Tax, like most other fiscal instruments, remains the responsibility of the individual member states, rather than of the EU. VAT rates therefore differ considerably throughout the EU. Food may be subject to strongly reduced rates in one country (e.g. Spain), while it is taxed by the highest rate in others (e.g. Denmark). In most countries the reduced rate applies (Table 9.1). More information about VAT should be available from the Ministries of Finance of the respective countries.

Table 9.1 VAT rates in the Member States of the European Union at 1/9/2004, in %

Member State	Super Reduce Rate	Reduced Rate	Standard Rate	Parking Rate
Belgium	-	6	21	12
Czech Republic	-	5	19	-
Denmark	-	-	25	-
Germany	-	7	16	-
Estonia	-	5	18	-
Greece	4	8	18	-
Spain	4	7	16	-
France	2.1	5.5	19.6	-
Ireland	4.4	13.5	21	13.5
Italy	4	10	20	-
Cyprus	-	5	15	-
Latvia	-	5	18	-
Lithuania	-	5 or 9	18	-
Luxembourg	3	6	15	12
Hungary	-	5 or 15	25	-
Malta	-	5	18	-
Netherlands	-	6	19	-
Austria	-	10	20	12
Poland	3	7	22	-
Portugal	-	5 or 12	19	-
Slovenia	-	8.5	20	-
Slovakia	-	-	19	-
Finland	-	8 or 17	22	-
Sweden	-	6 or 12	25	-
United Kingdom	-	5	17.5	-

Note: Situation at 1 September 2004

Source: European Commission, 2004b

PART B:

EXPORT MARKETING GUIDELINES: ANALYSIS AND STRATEGY

How do you get involved in the international marketplace of fishery products? How much time and money will it take? Should you make exporting part of your business plan? These common concerns are what Part B is all about. It helps you evaluate whether or not to get involved in international business, and learn how to go about exporting.

The first Chapters 10, 11 and 12 aim at assisting potential exporters in the decision-making process whether or not to export to the EU. By matching external opportunities and internal capabilities, the exporter will be able to identify suitable export products, target countries, market segments, and possible trade channels.

Subsequently, Chapter 13 provides sector-specific knowledge and sources to enable the exporter to further investigate what to export, to which markets, through which channels, and at what prices. In other words: which marketing tools can be used to build a successful business relationship.

The information provided in the previous part A of this survey is an essential ingredient in conducting the analysis and formulating a clearly targeted export strategy. Where applicable, reference will be made to the related sections in Part A. Keep in mind that the export marketing process is integrated; each individual part is inter-linked.

For general information on export marketing and how to conduct market research, please refer to CBI's Export Planner and CBI's new manual on market research.

10 EXTERNAL ANALYSIS

The external analysis assists the exporter to identify market opportunities, suitable sales channels and other relevant external factors.

10.1 Market developments and opportunities

As a first step towards the identification of the most suitable export markets, the exporter needs to research the importance of potential markets and understand the ongoing developments that shape the market structure. As we have seen in Part A of this survey opportunities for fishery products in the EU can be found, for instance in:

- Shortage of supply and a high demand (for example Victoria bass fillet has done very well in filling up the shortage of firm fish filet in Europe);
- Large ethnic communities (through which tuna found its way to markets other than the ethnic);
- Many fast growing niche markets.

Some examples of successful fishery products from developing countries are listed in the box below.

SOME GOOD EXAMPLES of fishery products from developing countries in recent years, which penetrated the market very successfully are:

Nile perch fillet from Lake Victoria. This also created an awareness with importers, that developing countries could be a reliable resource for high quality fish. However this trade had to overcome many constraints such as a ban by the EU due to cholera. Tilapia fillets. Recent years show a steady increase of imports from mainly Asian countries, for the greater part in frozen form, from aquaculture.

Hake and monkfish from Namibia. Due to a well developed processing industry in Namibia, this country has the possibility to export its fish in fresh and frozen form to Europe.

Fresh tuna loins from Oman, Indonesia and Sri Lanka. Tuna loins are a welcome addition on many restaurant menu lists.

Deep-frozen Pangasius fillet from Vietnam. Due to its neutral taste, absence of bones and low price its popularity increased rapidly. Pangasius is farmed in the Mekong Delta.

☞ Most of these supplies of fish have the following characteristics:

- constant supply and availability
- constant price and no large fluctuations
- constant and good quality.

Finding these opportunities and developments should be accomplished by means of a systematic method of market research, involving a preliminary screening of potential markets followed by a more detailed assessment of the targeted markets. Markets can be researched using primary or secondary data sources. Primary market research means collecting data directly from the foreign marketplace through (informal) interviews, surveys, and other direct contact with market participants. Primary research has the advantage of being tailor-made to meet your company's needs and provide answers to specific questions, but this data collection can be very time-consuming and expensive.

For a global scan of the market, most companies make use of secondary data sources, such as trade statistics, to focus their marketing efforts. This type of research is a valuable and relatively easy first step. Specific market developments as described in

Chapters 3, 4, 5, 8 and 9 and references made in this market survey can be used as a starting point for your export market research.

Results of the research inform the company of the largest markets for its product, the fastest growing markets, market trends and outlook, market conditions and practices, and competitors and their products. Based on all the information, a company must decide which markets are the most promising.

Questions that need to be answered:

- Market size: What is the (estimated) market size (sales or consumption) for your potential export products? Try first to focus on your product group, then on your specific products.
- Market developments: How has the total market volume developed during the last 3-5 years? If there is no information available on your specific fishery product, then try to obtain information on the development of the market for a higher level. For example, the market for finished products or the product group of which your product is part.
- Imports: How have imports developed during the last 3-5 years? Again, there probably is no specific information available on all products.
- Are importers and potential business partners in the EU interested in new suppliers of your particular products?

Where to find information?

1. The market information described in Part A of this market survey can be very useful as a starting point for your export market research. Where applicable, the sources (for example USDA or ITC) for this market information are also mentioned in the specific chapters.
2. For statistical information, you can use the EU statistics bureau Eurostat: <http://europa.eu.int/comm/eurostat>. For a list of the European national trade statistics bureaus, please refer to the Eurostat Internet site.
3. In some cases, trade associations are able to assist you with more specific information on product trends. For a list of trade associations please refer to Appendix 3.6.
4. To get a good overview of trends in the fish sector it is a good idea to visit trade fairs. The most recommended trade fair by European importers is the European Seafood Exposition, held once a year in Brussels. Please refer to Appendix 3.4 for a list of the most important trade fairs for fishery products.
5. Trade press. Useful sources of information on market developments are (international) trade magazines that can be relevant for exporters who want to develop a better insight into the EU markets. Some of the most interesting magazines for exporters of fishery products are:

- Seafood International
- World Fish Report
- Globefish and its regional publications (Eurofish, Infofish, Infopeche, Infopesca, Infosamak, Infoyu)

Please refer to Appendix 3.5 for a more extensive list of names and addresses of publishers.

- ① Internet increasingly provides you easily with direct market information. This survey gives several examples of useful Internet sites.

10.2 Market access requirements

There are many laws on fish and fishery products and demand for highly hygienically produced fish is increasing. This point is very important regarding competition within the fish sector. For example, some fishery products from China and Thailand were

banned due to the strict EU inspections. This occurred while both countries are able to produce fishery products in a relatively cheap and competitive way.

Since legislation and standards are continuously changing it is quite a challenge to stay up-to-date on developments. One option to solve this challenge is a partnership with an EU company.

Quality standards, other non-tariff barriers and tariff barriers

Section 9.1 of this survey described a wide array of non-tariff barriers, which could be applicable to exporters of fishery products. It is important to determine which standards and legislation apply to your situation. Not all standards are compulsory or widely recognised by your potential customers.

Regarding the tariff barriers, the low or zero import duty for ACP and LDDC countries gives exporters in developing countries an advantage above others.

Questions an exporter should answer are:

- What standards are set on the quality of products?
- What standards are set on the quality of your company (ISO)
- What is the importance of environmentally sound production methods?
- Are there import restrictions that limit sales opportunities?
- Which import tariffs apply to your export products?

Where to find information?

- ① One of the most important and useful information sources is European importers, but also colleague exporters and local export/business support organisations.
- ① In Chapter 9 of this survey, you can find information on quality standards; trade-related environmental, social and health & safety issues; packaging, marking and labelling and on applied import tariffs. It is important regularly to check databases like the CBI's AccessGuide. This section also provides Internet sites (EU!) that are helpful to in finding product specific information.

10.3 Competitive analysis

Competitors and their pricing will have a direct effect on your success. It is therefore important to learn more about your competitive environment. An initial step towards increased understanding of the competition is to simply prepare a list of all the competing companies and find out who are the most important. A second step would be to do some research on your competitors, e.g. using the internet, while it is also possible to customers and suppliers for their opinions. On the basis of these sources of information you may be able to prepare a list of your main competitors' strengths and weaknesses.

It is also important to check regularly with customers and suppliers to see if they have heard of any new companies that have entered the business. These sources may also give you some insight into where and how the competition is selling its products. Which trade channels are used by your competitors, and why?

Chapter 4 of this survey also gives information about competing producers of fish and fishery products in the EU; Chapter 5 describes the major suppliers from outside the EU.

While trade shows can be useful for gaining contact with new customers, they can also be used for finding out more about competition.

☞ In many cases, fish producers in developing countries benefit, among other advantages from better access to fish resources, lower labour costs and low raw material prices. These are often the most important factors that positively distinguish your company from competitors in other countries, particularly in Europe. Other positive factors already mentioned are low or zero import duties and sometimes less strict environmental legislation. Even assistance from European governments through development programmes can be seen as a competitive advantage.

☞ Other factors can weaken your competitive position. European companies for instance have the advantage of being, both in a geographical and cultural context, close to their customers, which in general makes marketing of products and communication easier. In addition, producers in other developing countries represent an important group of potential competitors. You can find useful information in Chapter 5 of Part A on product streams originating in these countries. Strengths and weaknesses of fish producing companies in developing countries are given in the internal analysis of Chapter 11.

Important questions to be answered are:

- How many suppliers are currently active in the market?
- Who are your main competitors? What are their strengths and weaknesses compared to your company?
- To what degree is the sector in the target market supported by the local government?

10.4 Sales channel assessment

☞ The information provided in Chapter 7 of Part A may be used as a starting point.

While export marketing is generally understood as the act of selling and shipping the goods to foreign markets, there are many other options which allow a company to sell its products abroad, while limiting the risks and the hassle associated with the proper exporting. Next to the recommended option of forming a joint venture or a partnership, there are several others:

1. Filling orders from domestic buyers who then export the product.
In this sales channel, someone else decides whether the product in question meets foreign demand. That party takes all the risk and handles all of the exporting details, in some cases even without the awareness of the original seller. Nevertheless, it is a good opportunity to adapt your product to foreign standards.
2. Seeking out domestic buyers who represent foreign end-users or customers.
These buyers are a large market for a variety of goods and services. In this case, a company may know its product is being exported, but it is still the buyer who assumes the risk and handles the details of exporting.
3. Exporting indirectly through intermediaries.
With this approach, a company engages the services of an intermediary firm capable of finding foreign markets and buyers for its products. Export management companies, export trading companies, international trade consultants and other intermediaries can give the exporter access to well-established expertise and trade contacts. Yet, the exporter can still retain considerable control over the process while achieving other benefits, such as learning more about foreign competitors, new technologies and other market opportunities.
4. Exporting directly.

This approach is the most ambitious and difficult, since the exporter personally handles every aspect of the exporting process from market research and planning to foreign distribution and collections. Consequently, a significant commitment of management time and attention is required to achieve good results. However, this approach may also be the best way to achieve maximum profits and long-term growth.

5. Exporting through joint venture.

Exporting through a joint venture means that the exporter can use the existing sales network of its European partner. He will always try to sell as much fish as possible from his own joint venture. This construction also minimises the risks of non-payment by the buyers and guarantees fair prices. This option is therefore generally recommended.

When deciding whether to market indirectly or directly, the following factors may be considered: size of your company, nature of your products, previous export experiences and expertise and foreign market conditions. The two types of trade relations can both be found in the international fishery industry. The preferable method also depends on the trade structure in the country of origin. In Bangladesh, for example intermediaries are common.

Important questions to be answered are:

- Which potential sales channels exist (in the EU as well as in your own country)?
- Which products suit the different sales channels trade and which channel best suits your export product?
- What are the most important requirements of the identified sales channels? What are the conditions for an exporter to take part in a specific supply chain?
 - What quality standards do the sales channels demand?
 - What kind of packaging is used in the various sales channels?
 - What are the requirements concerning production process (environmental, ISO, MSC, others)?
- Is a joint venture or sales via Internet (e-commerce) an alternative?

Where to find information?

- ① Refer to Chapter 7 for information on potential sales channels.
- ① To get in touch with an European partner (for a joint venture, for example) it is recommended to contact a local embassy of the country to which you want to export, the local European delegation, a local Chamber of Commerce or Export Development Board. These organisations can also give you information on when trade delegations from the EU are visiting your country. Direct matchmaking is also possible through for example the CBI News Bulletin, in which you can offer products and proposals.
- ① Again, customers, importers or colleague exporters are useful information sources

10.5 Logistics (external)

External logistics refer to the movement of goods and information outside of the company. When transporting products overseas, the exporter would ideally look for the fastest and most efficient mode of transportation that would deliver the product in perfect condition at the lowest possible costs. It also depends strongly on the type of fish product you want to export. The actual selection will be a compromise among these factors. Please also refer to Section 11.2, in which the company internal aspects of logistics are discussed.

Three types of international transportation are used in transport of fishery products: ocean freight, air freight and truck freight.

- Ocean transportation takes longer than airfreight, but the costs of transportation are usually lower. Especially for frozen fish, ocean transportation is most suitable, because of the possibility of deep freezing of more than -20 degrees in containers. Standard 20 ft or 40 ft reefer containers are used. Because of these containers, large quantities are desired and thus L/C and certification of the cargo are normal conditions (see also Chapter 13 for payment and contract terms). Sea transport is usually charged by volume (of containers). This is sometimes called "dimensional weight" (length x width x height).
- Air shipment does not provide the possibility of deep freezing. However, this kind of transport is mostly used for fresh fish also due to the fast transit time. Generally LD3 containers are used, containing between 1,300 and 1,500 kg, depending on the type of products. For economic transport the minimum weight of the consignment should be 800 kg, since below that level the freight rate per kg increases very fast. Transport is charged on the basis of actual weight including packing and ice. At some international airports there are handling agents specialised in perishables, for example Roadair, Malenstein Air and Rockwood Airfreight at the Dutch airport of Schiphol, and Nagel Airfreight at the German airport of Frankfurt. Some of these also have direct connections with agents in the exporting countries, facilitating handling. Importers demand CIF prices, as otherwise handling agents have to demand interest and other costs on freight charges.
- Transport by truck into the European Union can only be used for imports from nearby countries such as Turkey and Morocco. Different options of formats etc. exist for this method of cargo.

Freight rates also depend on the product that is shipped, its value, destination and weight, the level of service and seasonal variations in demand for cargo space. Please pay attention to which system is being used: the metric system (used in most EU countries) or Anglo-American (used in the United Kingdom).

Freight forwarders

It is a good idea to use a freight forwarder for arranging transport and clearance on your behalf. They can simplify the shipping process because they are familiar with import and export legislation. It is important to use a forwarder that is experienced in handling fishery products or other perishables, as well as one that is experienced in the destination country. Freight forwarders can also assist you in handling all the documents. Freight forwarders are cost effective to use, because they can negotiate the best rates with airlines. They usually operate on a fee basis, payable by the exporter.

Important logistic questions to be answered are:

- How often does the sales channel require delivery? What cycles of delivery does this channel require? Are you able to deliver this often?
- What lot sizes does this sales channel demand? What lot size are you able to produce?
- What formalities does the sales channel require to be handled by the exporter?
- What are the typical costs of logistics? (Check with freight forwarders)
- Is it profitable to cooperate with other exporters?

Where to find information?

- ① Airfreight forwarders and air carriers are the best sources for obtaining freight rates. In addition, there are companies specialising in publishing air cargo tariffs. These publishing companies charge a fee for their services.
- ① International Federation of Freight Forwarders Association (FIATA): <http://www.fiata.com>
- ① Directory of Freight Forwarding Services: <http://www.forwarders.com>
- ① International Air Transport Association (IATA): <http://www.iata.org>
- ① Extensive lists of freight forwarders can be found at: <http://www.cargoweb.nl> and <http://www.shipguide.com>
- ① Also refer to Chapter 7 and Chapter 9 for information on sales channel requirements.

10.6 Price structure

Prices of fishery products may fluctuate strongly, as is the case for most commodities. Price fluctuations may show seasonal, annual and longer term trends. Except for farmed shrimps, fish prices have tended to increase since 2000, but this is of course not a guarantee for the future. It is recommended to closely monitor markets and prices in order to quote realistic prices.

Retail prices do not just reflect the price of raw materials, they also reflect the pricing policy of the retailer, as well as his negotiating position in the chain, and vis a vis the competition.

Margins vary strongly depending on the type of product, the distribution channel and the continuous 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 need a trade margin of some 5-10 percent to cover business costs and risks. Competition in the EU market prevents excessive trade margins, although in some cases the gross margins may rise to a limit of 25 percent.

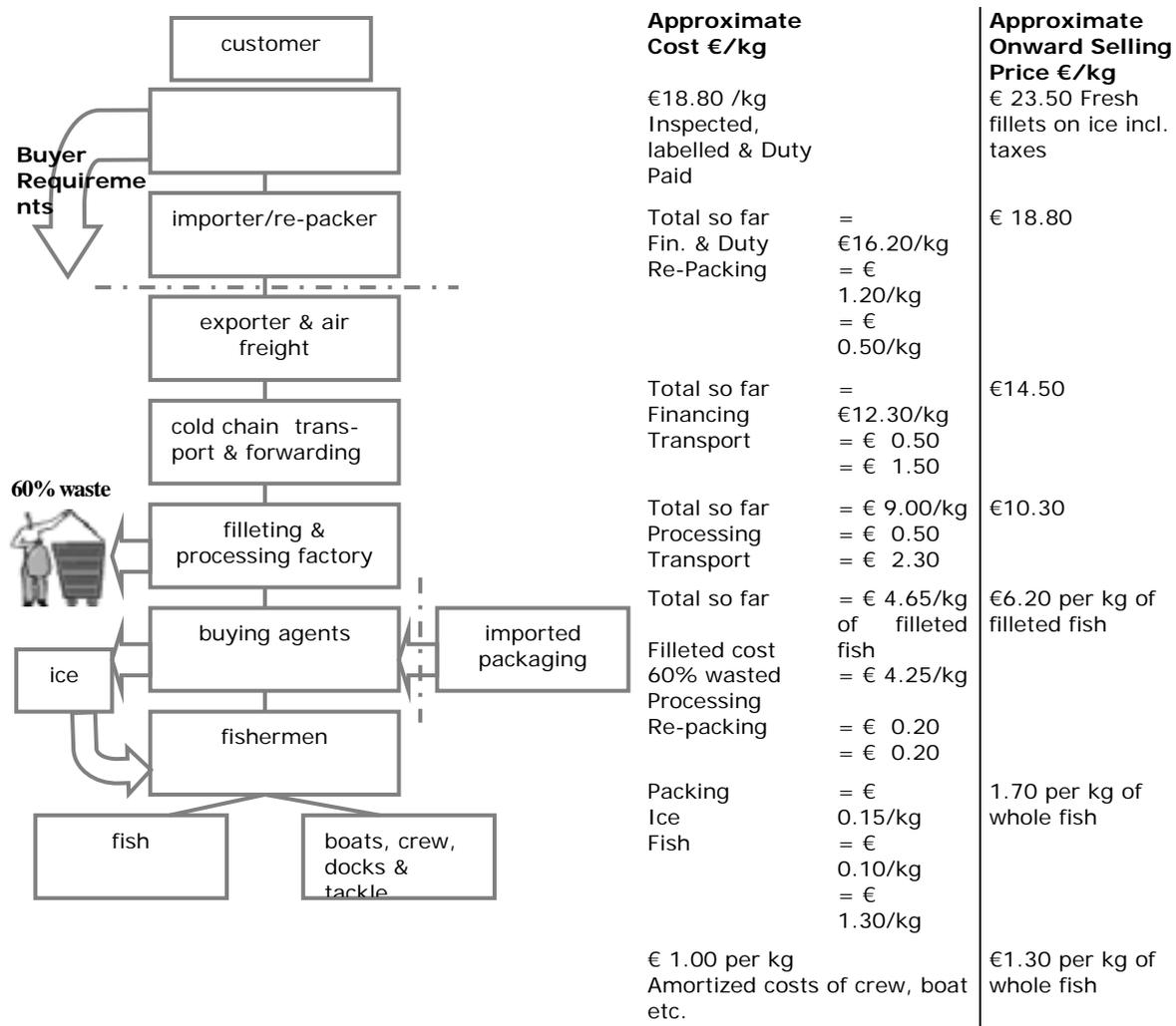
Retail margins vary between some 10 percent for canned fish in supermarkets to some 50 percent for fresh products from the specialised fish retailer. Generally, the gross profit margin (turnover minus purchase price) of a specialised fish retailer or market vendor is between 30 to 45 percent.

Adding to this margin the value-added tax (VAT), consumer prices of fishery products will generally be more than 50 percent higher than the CIF price (Cost, Insurance and Freight).

For methods and terms of payments, please refer to Paragraph 13.4 handling the contract.

Example of a Fresh Fish Sector Value Chain

The following figure adapted from ITC is an example of a value chain for fresh fish. The Figure gives an overview of the supply chain and indicates costs and margins relevant to each party.



Source: Sayers 2005.

Moreover, it shows exactly how much value is added at each stage. Analyzing the value chain may give information about possible inefficiencies, which can then be addressed.

For example:

4. The buying agent in this example of the value chain sells the fresh fish for € 1.70 per kg. Because his total production costs are € 1.55 per kg, his profit will be € 0.15;
5. Furthermore, the filleting & processing factory will make total costs of € 4.65: € 4.25 for the 60% waste ($\text{€ } 1.70 / 0.4$), € 0.20 for the processing of filleting and € 0.20 for re-packing of the filleted fish. Since the factory sells the fish for € 6.20, its profit will be € 1.55;
6. At the following stages, more value is added to the product (by making costs); At the end of the value chain, the customer will pay approximately €23.50/kg for the fresh fish fillet.

While an exporter can only control his own cost in a direct manner, thus increasing his competitive position, looking at the costs and margins over the entire chain may also bring benefits. From the value chain analysis it shows that the largest inefficiency is produced at the stage of filleting & processing. If the actors in the chain could find a way of re-using the waste, this would improve the competitive position of the whole chain. In order to achieve this, the different actors of the chain may need to work together.

10.7 Product profiles

This section gives two product profiles: shrimps and tuna. The first focuses on frozen shrimp, while the latter addresses both canned and fresh tuna. The product profiles are models for product profiles that exporters might develop for their own products. Product profiles contain a summary of the major information relevant to trading that product.

PRODUCT PROFILE SHRIMPS		
1. Product name: shrimps (frozen)		There are about 300 species world wide. Main species in EU: Pacific white (Penaeus vannamei) other species: Black Tiger (Penaeus monodon), Chinese white (Penaeus chinensis), gulf (Penaeus aztecus)
2. Market requirements: <u>Standard:</u> general standards for handling, preparation, processing, packaging, storage and transportation as laid down in directive 91/493/EEC. <u>Packaging:</u> See Chapter 9 and Section 11.3 <u>Minimum labelling:</u> - Identification (name and address) of the exporter, packer and/or dispatcher - Nature of the produce if the contents are not visible from outside - Name of species - Origin of produce (not only the country of origin, but also sea/water area, cultivated or sea catch) - Class - Size (stating the minimum and maximum weight) <u>Documentation required:</u> - Air-way Bill or Bill of Loading - Health certificate from the country of origin - EUR 1 form for ACP countries	<u>Market trends:</u> In terms of value shrimp is the main commodity of fishery products. With respect to consumption, Europe can be divided in two parts with distinct consumption habits. Mediterranean countries prefer large sized whole shrimps, which are generally cooked or grilled, shell and head on. Warmwater species are preferred. In north European countries, coldwater shrimp is still the preferred species though the presence of warmwater shrimp is expanding. Most of the European countries still reprocess this basic product in their country, although more and more developing countries take over processing (not only beheading and peeling but also cooking and breading). In recent years more and more value-added shrimp products have been put on the market and have had a good acceptance: IQF shell-on or peeled shrimp, tray consumer packs, breaded tail-on shrimp, butterfly	5. How to improve the quality: <u>Catching/harvesting:</u> Maintaining the freshness of the shrimp is helped by an early separation from the by-catch. Trampling underfoot and piling deeply on deck should be avoided. After sorting, the shrimp should be washed thoroughly with clean seawater and, if necessary, dipped in a sodium metabisulphite solution to prevent melanosis. The shrimp should thereafter be chilled quickly in melting ice or in refrigerated seawater or brine. On board, shrimp should be stowed in shallow layers in finely divided ice. If refrigerated sea water or brine is used for chilling or stowing of fresh shrimp, chilling should be rapid and the system should be capable of maintaining the shrimp at - 1°C. After chilling, the shrimp should be packed in perforated boxes in ice and transferred to the freezing plant in well insulated containers. Heading, peeling

<p>- FORM A for other countries</p> <p>3. Market structure: <u>Average price (per kg) :</u> Black tiger: US\$ 13-15 White: US\$ 9-13 Pandalus: US\$ 5-8</p> <p><u>Main markets:</u> The biggest consumption markets in the EU are Spain (mainly supplied by Ecuador and Argentina), France (Madagascar and West African countries), UK (Iceland, India, Bangladesh and Thailand) and Italy (Ecuador, Thailand, India, Malaysia).</p>	<p>shrimp, shrimp rings, shrimp kebabs and shrimp skewers. Especially the shrimp ring (about 50 shrimp displayed, tail-on in a plastic mould which has a centre well in which to serve accompanying dips) is a big success on the EU market. With regard to these products, the EU shrimp market is becoming increasingly flexible and these value-added products will expand their role in the market. As quality control mechanisms (forced by the EU directives) in developing countries improve, the confidence of European consumers in value added shrimp products from these developing countries will increase.</p> <p>4. Main suppliers: Local suppliers are the Netherlands, Germany, France and Spain</p> <p>Northern European countries like Denmark, the Netherlands, Germany and Iceland are the main suppliers of coldwater shrimp to the EU market. Important suppliers of warmwater shrimp from developing countries are Ecuador, Argentina, India, Bangladesh, Madagascar, Thailand, Nigeria, Morocco and Mozambique.</p>	<p>and/or deveining should be carried out rapidly to prevent contamination and growth of microorganisms. Peeled shrimp should be cleaned after shelling. The shrimp may be frozen either individually or in mass. The freezing process should be rapid in plate or blast freezers or in brine. <u>Packaging</u> (see also Section 1.1.3): Immediately after freezing, the shrimp should be glazed or packed in wrappers or cartons of suitable material in order to protect them from dehydration. <u>Storage:</u> Frozen shrimp should be stored at temperatures of -18°C or lower. A stabilised storage temperature of around -25°C is advisable in order to prevent denaturation (i.e. development of a dry and tough texture). The storage period should preferably not be longer than six months.</p>
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PRODUCT PROFILE TUNA		
1. Product name: canned tuna		main species: skipjack and yellowfin other species: albacore, blue fin, big eye tuna
<p>2. Market requirements: <u>European quality standards:</u> general standards for handling, preparation, processing, packaging, storage and transportation as laid down in directive 91/493/EEC. Furthermore, on October 28, 2002 the ACS-EU committee Customs Co-operation decided that during the period 1 October 2002 up to 28 February 2005 all tuna loins and canned tuna under post 16.04 from ACS countries will be considered as origin ACS countries, even if the tuna is caught outside the ACS country. This will result in import duty as set for that country, which will always be lower. The annual available quantities account for 8,000 tonnes for canned tuna and 2,000 tonnes tuna loins. With the documents supported by the import of tuna, a request should be filled to become eligible for this ruling.</p> <p><u>Minimum labelling:</u></p> <ul style="list-style-type: none"> - Identification (name and address) of the exporter and/or packer - Nature of the produce (if not visible from outside) - Name of species - Origin of the produce - Class - Size (stating the maximum and minimum weight) <p>Specific:</p> <ul style="list-style-type: none"> - Dolphin-friendly label; this must be accompanied by a certificate issued by the packer (optimal). <p><u>Packaging:</u> For transport, cans are usually packed in cartons containing 48 cans.</p>	<p>Import legislation (besides the general information stated in Chapter 9): Relevant import documents: - AWB or Bill of Loading - health certificate from the country of origin - dolphin-friendly certificate issued by packer - EUR 1 form for ACP countries - FORM A for other countries</p> <p>3. Market structure: <u>Average prices (per tonne):</u> skipjack tuna: US\$ 500-800 yellowfin: US\$ 1000-1500 big eye tuna: US\$ 500-800 albacore: more than US\$ 2500 skipjack: US\$20-30 p/carton (48x200gr.)</p> <p><u>Main markets:</u> The main European market is France (mainly supplied by Côte d'Ivoire, Spain (re-export) and The Seychelles), followed by Italy (Ecuador, France and Venezuela).</p> <p><u>Market trends:</u> In terms of volume, tuna is the most relevant product group from developing countries. The main products are conventional products such as frozen whole tuna and more value added products like frozen tuna loins, canned tuna and most valuable, fresh tuna. An important part of the frozen tuna output is used for the production of canned tuna. The canning factories are switching from imports of frozen whole tuna to imports of frozen tuna loins (quarters of tuna). Canned tuna is a very popular product but is often not classified as fish by</p>	<p>4. Main suppliers: The leading supplying countries of tuna to the EU are Spain, Ecuador, Ivory Coast, Seychelles, France, Thailand and Ghana. Spain and France are the only European countries producing tuna, mainly canned tuna. Most of the (frozen) tuna for the canned tuna production has to be imported. The leading producing countries of frozen tuna are Japan, the Republic of Korea, Ivory Coast, Thailand, Panama, Mexico, Philippines and Ecuador. An important part of the frozen tuna output is used for the production of canned tuna. The USA is the leading canned tuna producer, followed by Thailand.</p> <p>5. How to improve the quality: <u>Catching/Harvesting:</u> Tuna, which are to be canned, should preferably be frozen by immersion in refrigerated brine. In order to minimise salt penetration and because it is impracticable to work with brine below -18°C, the fish frozen in this way should have their temperature at the centre lowered as rapidly as possible to -12°C. The temperature should then be lowered further to -18°C in storage. To avoid unnecessary high salt penetration, either the fish should either be removed from the brine or the brine pumped out as soon as freezing is completed. Used brine should not be pumped over board in places where this can cause pollution problems. After landing, the tuna should be quickly</p>

	<p>consumers, being considered "something else", probably more like meat. Canned tuna is often used by supermarkets for promotional purposes, with cans selling for very low prices to attract customers. Consumption and demand for canned tuna are still expected to grow.</p>	<p>transferred from the ship's freezer store to the shore-based freezers store. <u>Processing</u>: Upon entrance in the canning factory, each lot of tuna should be sampled for chemical analysis of its histamine content. On average, this content should be around 100 mg/kg in nine samples with no single sample value exceeding 200 mg/kg.</p>
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PRODUCT PROFILE TUNA (continued)		
1. Product name: fresh tuna		main species: yellowfin and big eye tuna other species: bluefin tuna, longfin tuna
<p>2. Market requirements: European quality standards: general standards for handling, preparation, processing, packaging, storage and transportation as laid down in directive 91/493/EEC.</p> <p>Import duties under EU product code 0304 1038 60 are 18%. ACP and LDC countries are subject to 0% import duties.</p> <p><u>Minimum labelling:</u></p> <ul style="list-style-type: none"> - Identification (name and address) of the exporter and/or packer - Nature of the produce (if not visible from outside) - Name of species - Origin of the produce (Sea) - Class - Size (stating the maximum and minimum weight) <p><u>Packaging:</u> For transport, normally in vacuum packed polyethylene bags in polystyrene boxes with about 15% ice.</p> <p><u>Import regulation</u> (besides the general information stated in Chapter 9): Relevant import documents:</p> <ul style="list-style-type: none"> - AWB - health certificate from the country of origin - EUR 1 form for ACP countries - FORM A for other countries 	<p>3. Market structure: Average prices (per tonne): yellowfin: US\$ 8000-12000 (CIF) big eye tuna: US\$ 8500-12000 (CIF)</p> <p><u>Main markets:</u> The main European market is the Netherlands followed by UK and France. The Netherlands re-exports most of the tuna loins.</p> <p><u>Market trends:</u> In recent years, there has been a switch from loins to portion controlled packing or tuna steaks. These steaks come in fresh or ultra-deep frozen or light smoked. The main issue is to keep the bright-red colour. Light smoked is a term used for tuna treated with carbon dioxide. After the treatment, the tuna steaks are frozen and due to this treatment, they will retain a cherry-red colour when thawed. This product is considered by FDA and Europe Health Control as GRASS. (Generally recognised as safe). There is an increasing demand for fresh tuna of prime quality for the sashimi and sushi production. Especially in the Japanese market the price for this tuna is very high. Recently, there has been an increasing trend of imports of fresh tuna by air, especially from countries with regular direct flights to the EU.</p>	<p>4. Main suppliers: The leading supplying countries to the EU are Indonesia, Oman, and Sri Lanka.</p> <p>5. How to improve the quality: <u>Catching/Harvesting:</u> Fishing methods play an important role in determining the quality of the fresh tuna. Under a severe stress condition when the tuna fights intensively for more than 2 minutes just before landing, a considerable amount of lactic acid may build up in the muscle and lead to a rise in acidic condition of the fish meat, making it unsuitable for sashimi. Longlining is a fishing method that allows the tuna to calm down and restore energy before being landed. Purse seining tends to catch tuna in large numbers, leading to physical damage and maximum physical stress. Besides the fishing method, it is very important how the fish is handled on board. The way the tuna is tackled from the water onto the deck, the killing method, the bleeding and chilling, all have an effect on the quality of the tuna. Only tuna over 40 kilo is suitable for loining, otherwise the loins will be too small. <u>Processing:</u> Upon entrance in the factory, each lot of tuna should be sampled for chemical analysis of its histamine content. On average, this content should be around 100 mg/kg in nine samples with no single sample value exceeding 200 mg/kg.</p>

11 INTERNAL ANALYSIS

The internal analysis is a review of the company's strengths and weaknesses in terms of internal resources and export marketing capabilities. The internal analysis shows to what extent a company is able to benefit from the opportunities present in the market.

11.1 Product range

A supplier can only select a suitable business partner (and vice versa) when armed with correct information about the range that he or she is able to offer. A precise review of the product range, therefore, aims at matching products on offer with market opportunities. A product range can consist of several product groups (range width), each with several different products (range depth). Again, one product can consist of several species (see example). Keep also in mind that varieties are sometimes known under different trade names overseas.

Enter in the following list all products you produce, together with their varieties. Furthermore, state their size, the period in which you are able to supply and the packaging method:

Example of a company's product range				
Product range (range width)	Products (range depth)	Species	Supply period	Packaging
Frozen fish	Tuna frozen on board	skipjack	Seasonal	Whole. Size (kg/pc): < 1.8; 1.8–3.6; 3.6–6; >6
Fresh / chilled	tuna loins, trimmed, black meat removed.	yellowfin tuna	October – May	Vacuum packed, ± 30 kg per polystyrene box
Smoked	butterfish	butterfish (scientific name)	Year-round	Sliced, portion-controlled, weight on customer's request.

Questions an exporter needs to answer:

- Which products are you currently producing? How comprehensive is your product range?
- Which products do you consider the main products you are specialised in?
- What new products would you be able to cultivate / produce?

11.2 Product standards, quality, USPs and production capacity

In understanding your own company, developing a Unique Selling Proposition, or USP, is very helpful. Your USP is what differentiates your product or service from your competitors. Your chances in the market greatly increase when you have a USP!

There are two major benefits in developing the USP. First, it clearly differentiates your business in the eyes of your current and potential customers or clients. Second, it

focuses your staff on delivering the promise of the USP, thus helping to improve your internal performance.

What a USP could look like:

- One sentence.
- Clearly written, so that anyone can understand it.
- It should be believable.
- Composed of one benefit that is unique solely to your company or product.

How to develop your USP? Sit down with a notebook and:

- Brainstorm.
- List all the benefits your company or product can offer to a customer.
- Prioritise those benefits in order of what is the strongest, and most unique to your business.
- Write one sentence that conveys the first benefit on the list.

☞ Thinking about what happens with your export product, after the importer has received it, can help you find new ideas.

Quality

Quality is probably the main competitive factor in every business. It is an absolute requirement for European importers to receive fishery products that comply totally with EU regulations. It is therefore obvious that it is also the essential issue when looking for suppliers in developing countries.

☞ Generally, importers seek suppliers by means of a list of countries and companies admitted by the European Commission. Subsequently they look for companies that have sufficient hygiene conditions in their processing plant, that handle the fish correctly on board the fishing vessels, that have enough availability of ice and that have a correctly conditioned storage space.

Quality does not just mean product quality. Management quality is equally important. In the case of co-operation agreements, it is the general impression radiated by the company's management that often determines whether the European importer decides to enter a long-term relationship.

Check your current quality standards with the voluntary and compulsory standards described in Chapter 9. Also, refer to Chapters 8, 9 and 10 for information on the importance of the various quality standards for your product-market combinations.

Questions an exporter needs to answer:

- What quality standards does your product and production process comply with?
- What is the general level of your product quality compared to other products in the identified market?
- In case environmental labelling could significantly improve the competitiveness of your export product, which label is the most interesting for your situation?

Production capacity

The foreign buyer is seldom looking for a 'spot' purchase. Instead, he is looking for a quality product at a fair price backed by continued availability. If a company is merely interested to market your sporadic surplus capacity, only few buyers will be interested in this. On the other hand, if a company devotes a fixed amount of production capacity to servicing export markets, that is a starting point.

☞ The volume of the product marketed is probably less important than a consistent and reliable supply of the actual product. Other critical points are high/low spoilage of raw material and seasonality of fish resources.

Questions that need to be answered:

- How efficiently is the present capacity being used?
- Will new export activity hurt domestic sales?
- Is it possible to expand your production capacity if necessary?
- What will be the cost of setting up additional production capacity?
- Is it possible to produce more efficiently and have less spoilage of raw material?
- Is it possible to keep out of seasonality of your fishery product?
- What cycles of production apply to your products and how does this match up to the demand in the target market?

11.3 Logistics (internal)

Internal logistics refer to storage and the movement of goods and information within the companies limits. External aspects of logistics are discussed in Paragraph 10.4

Cold chain

The critical point of interest regarding transport, just as during storage, is proper refrigeration. In handling perishable products, maintaining a cold chain is a major logistical issue. It determines for a large part the quality of the product as it arrives at the European retail shop. The saying is "one hour lost in departure to being refrigerated will be one day less for the sale in the destination". Check whether you and your freight forwarders are able to manage the cold chain. Make use of temperature recorders to check whether your products travel in optimal climatic conditions during their entire voyage. A totally reliable freight forwarder with a cold store at the airport or good management of the temperature in the reefer containers is recommended to keep the cold chain in control.

Packaging

Packaging is used for hygienic purposes and to protect against mechanical damage. It is an essential factor in determining the product's quality. However, according to the way in which packaging sometimes is applied in developing countries, it can also be a risk to quality, due to bruising and less than optimum conditions of temperature.

The packaging has to satisfy conditions in the field of handling. The transportation volume must be as efficient as possible and a high level of uniformity is desirable.

Packaging design should take the following into account:

- Proper storage and transport;
- Standard packaging sizes;
- Recyclable materials or two-way systems.

In Chapter 9 describes several methods of packaging for different fishery products. The exporter should always discuss the preferred type of packaging with his European trading partner or organisation. As some of the exported fishery products are directly forwarded to the end-user (supermarket), the importing company might want to have the printing work on boxes done already in the export country.

☞ Useful information on packaging (Guidelines for the landing and sales of fishery products) can be found at:

http://www.seafish.co.uk/publications/guideline_landing_sale.pdf

Points of interest when choosing the right packaging:

Have your customers ever complained about the quality of your products?

Look for possible causes:

- Unsuitable packaging material (avoid unnecessary re-packing by the customer)
- Insufficient cooling during transport
- Too many damaged boxes on arrival
- Differences in weight mentioned and actual weight
- Other causes

In the case of marine transport, different kinds of products shipped together in one container should have compatible:

- Temperature needs
- Relative humidity needs
- Airflow characteristics

Does your importer use special transport packaging?

- Perhaps you could use this special transport packaging as well? Using the wrong packaging size can have a negative effect on your business.
- Maybe you could make use of the importer's packaging expertise.

Fully recyclable packages must be used when trading with certain business partners.

- Colouring materials, used for printing, should not be harmful to the environment.
- Do not use metal clips for the cartons.
- Avoid waxed boxes or any combined packaging materials

11.4 Marketing and sales

How do you sell to current (export) markets? What works in one market is generally likely to work in another, subject to refinement based on market intelligence and knowledge about specific trade channel requirements.

What existing contacts does the company have in the target markets - relatives, friends, suppliers, etc? It is an advantage to have some local presence in the target market, to gather information, monitor progress and follow up leads.

A serious export marketing campaign requires substantial management time to execute it properly. Therefore, the company needs to be realistic as to how much time can be devoted to export marketing.

A well-functioning sales department is an absolute prerequisite for successful market participation. The essential tool used in the sales department is a detailed and up-to-date customer database. The customer database contains basic data on the customer (long-term data such as name, address, telephone number, e-mail etc.) and changing data on the customer (data resulting from business with the customer such as telephone calls, offers, sales statistics, etc.).

More information on how to make use of your marketing tools to foster your export activities will be described in Chapter 13.

Questions that need to be answered:

- ① Does your company have people specifically assigned to marketing and sales activities?
- ① Which persons do you know in the target markets?
- ① What sales support material is available?

11.5 Financing

Export marketing is expensive. If financial resources are limited, then marketing plans will have to be modest. It is no good developing five new markets if the company only has the money to develop one.

Financing is often necessary for product and process adaptation to EU standards. An example of an EU funded programme is "Strengthening Fishery Products Health Conditions in ACP/OCT Countries". This is executed by ProInvest. For more information, please refer to <http://www.cde.int/>.

Local banking systems in developing countries are sometimes insufficient to handle exporting. It is therefore recommended to use an international bank, which is also located in the importing country. Moreover, this will also simplify the payments between you and your business partner. Each country has a list of their local banks with their corresponding banks in other countries or special relationships with financial institutes outside their country. Choosing the right bank can facilitate and speed up money transfers considerably.

For methods and terms of payments, please refer to Paragraph 13.4 Handling the contract.

Questions that need to be answered:

- What amount of money can be allocated to setting up new export activities?
- What level of export operating costs can our company support?
- How are the initial expenses of export effort to be allocated?
- What other development plans are in the works that may compete with export plans?
- Is outside capital necessary to support efforts?

11.6 Capabilities

Commitment to export

It is important to consider whether the company has staff that is sufficiently educated to sell and develop an international business. The company should be able to generate the physical and administrative infrastructure to deal with increased activities related to exporting - not only in dealing with orders but also with processing customs and shipping documentation. If this type of infrastructure is limited, then it is a weakness in developing sustained export activities.

Questions that should be answered are:

- What kind of commitment is the top-level management willing to make to an export effort? How much senior management time should be allocated? How much could be allocated? Is it worth to invest in the necessary education?
- What organisational structure is required to ensure that export sales are adequately serviced? Who will be responsible for the export activities (export department's organisation and staff)?
- What are the management's expectations of the effort?

Export experiences

It is important to learn from past experience. If the company has tried and failed to penetrate an export market previously, this can be analysed to determine where things went wrong.

Questions that should be answered are:

- In which countries has business already been conducted?
- From which countries have inquiries already been received?

What general and specific lessons have been learned from past export experience?

Language skills

When dealing with European trade partners in fishery products, English is the most commonly used language. Although European trade partners will not be English native speakers themselves, the vast majority speaks English fluently. In almost all cases, appropriate foreign language skills, particularly English, are essential when entering the European market.

On the few occasions when correspondence and documents in English do not suffice, exporters can usually find sources of translation capabilities for the more popular European languages (Spanish, French, and German). Language capability can be advantageous since it facilitates cultural and social relationships.

Questions that should be answered are:

- Which language skills are necessary when dealing with your selected markets?
- Which language capabilities are available within the export company?

12 DECISION MAKING

An example of a SWOT confrontation matrix is given below (Table 12.1). When properly executed the confrontation matrix shows the major strengths, weaknesses, opportunities and threats regarding a certain company.

Table 12.1 Example of a SWOT analysis for exporters of fishery products from developing countries to the EU

Strengths	Weaknesses
Access to fish resources Low labour costs Low or zero import duty (ACP and LDDC countries) Less environmental constraints Low raw material prices	Tropical climate Seasonality of fish resources Low level of organisation of the industry Poor handling on board of fishing vessels High spoilage of raw material Language and communication Low level of education Access to finance / Banking systems Hygiene conditions in processing plants Lack of conditioned storage space Limited availability of ice Problems with packaging Lack of marketing knowledge
Opportunities	Threats
Shortage and high demand in Europe High and stable prices on European market Large ethnic communities in Europe Assistance from European governments through development programs Many fast growing niche markets	Tariff barriers Technical trade barriers and new regulations imposed by the EU (and USA) High investments and financial risks Over-fishing

The SWOT methodology distinguishes between internal factors (strengths and weaknesses) and external factors (opportunities and threats). Nevertheless, it may be practical to consider both factors at company level and at sector level as internal factors, as was done in the Table above. For example, 'lack of marketing knowledge' directly regards the company, while 'low level of organisation of the industry' regards the sector as a whole, but both factors would affect the performance of the export operation, and are thus labelled internal.

Of course, a SWOT analysis may be adapted to ones personal circumstances. These differ for each exporter around the world. While for one exporter of fishery products 'tropical climate' forms a weakness, especially when conditioned storage space or sufficient ice is missing, for another exporter this problem does not exist. The tropical climate with typical matching fish species can even be strength for some exporters.

Not only a factor can distinguish between companies, but also within a company a threat or weakness can change into an opportunity or strength. A good example in this matter is 'technical trade barriers and new regulations imposed by the EU'. In first instance, this can indeed be a threshold for exporting to the EU. On the other hand, when a company has adapted the export product and the processing to EU standards, it has access to the EU market. In this way, the factor of technical trade barriers can be seen as an opportunity instead of a threat.

Success in exporting is not guaranteed by taking into account all the factors mentioned so far. Your environment consists of other critical conditions and success factors, that

are often more difficult to influence as an individual company than for example internal factors. Some critical conditions have already been mentioned, for example low level of organisation of the industry, financing and value chain management.

The following sector-specific issues are also of relevance:

- sector policies
- availability of sector/branch organisations
- clustering/co-operation within the sector value chain management)
- know-how and technical assistance
- foreign trade assistance
- financing
- past performance of the sector, export trend

☞ Inquiring through local business support organisations or colleague exporters can be a good starting point in becoming aware of other critical conditions for successful exporting.

It will now be possible to reach a decision about whether or not to export, by weighing all the factors of the internal and external analyses (chapters 10 and 11).

You have identified products suitable for export development. In addition, you know what modifications, if any, must be made to adapt them to overseas markets.

You know what countries and market segments you are going to target for sales development and/or co-operation agreements.

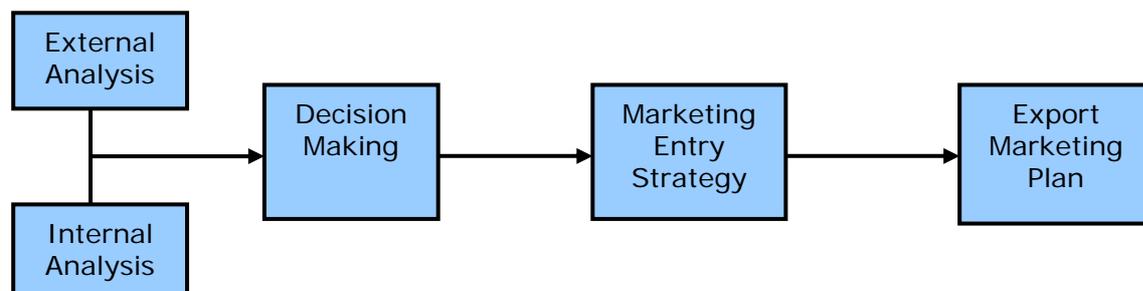
You have identified the best sales channel (direct exporting or co-operation agreements).

You know what special challenges pertain to the selected markets (competition, import controls etc.) and what strategies you will use to address them.

Once a company has determined that it has exportable products, it must still consider whether the development of an export business adheres to the company objectives. In order to arrive at this conclusion the management should ask itself the following questions:

- What does the company want/expect to gain from exporting?
- Is the goal of exporting consistent with other company goals?
- Are the benefits worth the costs or would company resources be better spent developing new domestic business?

Companies can waste a lot of time and money attempting to enter markets which do not have potential or for which their product is not suitable. To be successful in export marketing, exporters need to focus on specific products and markets and be prepared to deal with all foreseeable situations. Therefore, several possible strategies have to be considered.



If you have come to the decision to export, the next phase of the export marketing process is to draw up an Export Marketing Plan (EMP) which defines a marketing strategy stating how the company is going to penetrate the identified market. The marketing strategy is designed around the information collected in the internal and external analysis and the marketing tools will be described in the following Chapter. Formulating an export marketing strategy based upon sound information and its proper assessment increases the chances that the best options will be selected, resources will be utilised effectively, and efforts will consequently be carried through to completion.

For guidelines about writing an export marketing plan and formulating answers to the questions asked in this Chapter, please refer to CBI's Export Planner.

13 EXPORT MARKETING TOOLS

Which marketing tools are available to help you build up your export business? This Chapter will provide you with insight and give tips on how to make use of your marketing tools to promote the sales of your products and to build a favourable trade relationship.

13.1 Matching products and the product range.

In the internal analysis (see Section 11.1), the exporter reviewed the company's product range and product characteristics. The aim of this review was to enable the exporter to match market opportunities with the company's products on offer. This review can also be used as a starting point for considering opportunities for improving the exporter's product range. Because your geographical location determines, for the greater part, the fish species which the exporter is handling, opportunities for improving the product range should be searched for in value-added fishery products.

Sometimes, exporters will find out that the current product range does not match the demand of the identified market segments and sales channels. The cause of this mismatch can, for example, lie in the fact that currently processed species are outdated (in some cases, for example, canned fishery products).

For orientation about alternative products, there are many possible sources, including:

- trade magazines; as mentioned in Appendix 3.4 often give useful information on new and popular species, value-added products and pack trials;
- visiting trade fairs is also a good way of becoming informed about potentially interesting varieties or value-added products;
- detailed trade statistics may indicate which species or value-added products are most popular in the target markets.

One of the key questions in selecting new products is whether the variety can be successfully produced under your production circumstances.

13.2 Building up a relationship with a suitable trade partner

Weak points mentioned in previous chapters concerning fishery companies in developing countries can be solved with the help of a business partner. Co-operation with a European partner may have the following benefits:

- Direct access to the EU market through the network of an European partner;
- Moreover, in such a way the risk of a debtor is covered;
- Access to up-to-date information (market, prices, trends and EU regulation);
- Control of the value chain from the producer all the way to the consumer;
- Educational opportunities;
- Fewer communication problems.

It is better to have one long-term trade contact than several scattered and unsteady relations.

There are many ways of contacting new business partners. Any approach may be valid, provided that it is based on a long-term perspective. Confidence, reliability, reputation are cornerstones of any marketing strategy.

How to find a potential trading partner

Contacting an importer or a specialist depends on your export product. Large importers know the language of the region, they know all about logistics and transport tariffs (by sea and air) and they are familiar with the payment methods. Furthermore, they are constantly in contact with the producers in developing countries and they generally have their own personnel overseas, in order to guarantee constant quality and to

coach local staff wherever necessary. For a specialist product such as peeled shrimps, direct contact with a specialist or processor is also an option. Please also refer to Chapter 7 "Trade Structure" of this market survey.

The main ways European importers use to look for new suppliers from developing countries are the following:

- List of EU authorised countries and fishery companies (the list of authorised countries is explained in Paragraph 9.1 and in Appendix 6, a list of authorised companies per country is for example available at the Dutch Commodity Board for Fishery Products);
- Searching on Internet;
- International trade fairs;
- Recommendation by someone he knows and
- Visiting the country in which one intends to set up/expand production capacity.

Although the chance that a European importer approaches an exporter is bigger than vice versa, it is good to promote oneself as an exporter. The best ways for exporters in developing countries to approach potential European customers are:

- Direct mail: You can write a letter (post, fax or e-mail) directly to a European company. Most companies will respond that they are not interested or that they already carry a competitive line or they will not respond at all. An importer of fishery products receives many business proposals through e-mail. However, only a few positive replies are needed to continue your search and evaluation of prospective distributors. Add a product and price list to your mail. In this way importers know directly what you can offer.
- Indirect by an Internet site of your company. A simple Internet site with the products, vision and address of the company suffices. You can also make use of export directories where you can register or publish your company information (for example <http://www.sea-ex.com>);
- Personal visits: Once you have received a number of interested replies, plan a trip to that market. Additionally while travelling, stop in other potential markets to assess the situation as well as attempt to make contacts. Many times a personal visit will pay for itself in terms of the benefits gained.
- Invite EU importers or potential business partners to visit your company. Due to the strict quality terms, it is more common that an importer visits an exporter than vice versa;
- Build a network in order to extend your contacts;
- Visit international trade fairs (not only for fishery, but also for related food products);
- Also, refer to the recently published CBI manual "Your Image Builder".

From interviews with importers, we often understood that organised trade missions of exporters are not viewed very positively.

Globefish, a unit of the FAO Fisheries Department, publishes the "Directory of Fish Importers, Exporters and Producers - Europe", which lists more than thousand European seafood companies. The publication can be ordered through <http://www.globefish.org/>. Contact details for Globefish and other organisations are listed in Appendix 3.3.

How to select the most suitable trade partner?

Evaluate the potential trade partners on which you have obtained information, using the following criteria:

- Is the information complete? (full address, telephone / fax number, e-mail address, contact person)
- Is the importer active in the country you selected?
- Does the importer focus his activities on the corresponding products?

- What kind of trade relation is the potential trade partner interested in (arm's-length, co-operative agreement, joint venture)? Does this correspond with your preferred type of relations?
- What is the position of the potential trade partner in the market?
- What is the financial status and credibility of the company? Although difficult to find out, an annual report and a personal visit can give you some insight into the financial status of a company. It is also possible to take out insurance on credits.

Using these criteria, draw up a priority list of the contacts you have received.

Cultural differences

The single most common reason for export failure is inattention to cultural factors, a maxim frequently repeated in international business literature. People choose service providers and strategic business partners with whom they feel at ease, and this comfort level is dictated initially by cultural factors. National cultures are numerous, and subcultures are even more so. Increased travel has resulted in a large group of people socialized in more than one culture, and widespread television access gives exposure to different cultural values.

The factors that can affect cross-cultural business include:

- | | |
|-----------------------------|--------------------------------|
| -who speaks first | -material possessions |
| -attitude to God and nature | -family relationships |
| -decision-making time | -risk avoidance |
| -thought patterns | -competitiveness |
| -personal space | -short- and long-term planning |
| -social behaviour | |

For example in Germany, first names are reserved for family members and close friend, while in the Netherlands first names are used much more quickly.

☞ It is important to be aware of in cultural differences between your country of origin and European countries. By the way, even great varieties in cultural behaviour exist between the EU countries themselves!

Going by the priority list, you must identify the trade partners who best match your own company profile, product range and export strategy. Particularly in the case of future long-term close co-operation, it is important to gain a clear picture of the company you are dealing with and understand their business activities.

Drawing up an offer

There are two different kinds of offers:

General offer or company introduction; and
Specific offers.

Making a general offer

The purpose of a general offer is to make the first contact with potential trading partners not yet personally known to the supplier.

A general offer consists of sending a short profile of your own company and a summary of your product range.

In a personal letter, briefly introduce your company and what you have to offer.

Making a specific offer

A specific offer is legally binding for a certain period. You must therefore be capable of fulfilling the terms of contract. You should make up a specific offer only when you know the business partner personally or after you have made the initial contact.

When sending a specific offer, it should include:

- Name of the person responsible in your company;
- Exact description of the products offered;
- Price of the products offered in accordance with the Incoterms 2000 (if applicable, split up by delivery quantities or quality); and
- Possible delivery date.

Use of samples

In case a sample of the product is required:

- Product samples must correspond to the goods available for delivery (if they do not, this can have a lasting negative effect on business relations).
- State the treatment methods used. If possible, provide quality certificates from an internationally recognised inspection company.

Some more tips to increase the effectiveness of your offer:

- A telephone call to ask whether the offer (and the samples, if applicable) has arrived.
- An invitation to visit your company.
- Possibly, propose a visit to the country of destination.
- First-time exporters should start with small samples, rather than large high-value commercial shipments. An exporter should be testing whether his products meet the phytosanitary requirements, transportation routing, handling and packing methods.

When planning a business visit, you may consider hiring an interpreter. Assistance in planning your visit may be obtained from your consulate, business support organisation or other intermediary.

Price setting

To establish an overseas price, you need to consider many of the same factors involved in pricing for the domestic market. These factors include competition; costs such as production, packaging, transportation and handling, promotion and selling expenses; and most important in the fishery products market: the demand for your product and the maximum price which the market is willing to pay.

In most cases, an exporter will have to follow market prices. However, in the case of some products, like speciality products, you will be able to set your own export price. There are two common methods of calculating your price for exports:

- Domestic Pricing is a common but not necessarily accurate method of pricing exports. This type of pricing uses the domestic price of the product as a basis and adds export costs, such as packaging, shipping and insurance. Because the domestic price already includes an allocation of domestic marketing costs, prices determined using the method might be too high to be competitive.
- Incremental Cost Pricing determines a basic unit cost that takes into account the costs of producing and selling products for export, and then adds a mark-up to arrive at the desired profit margin. To determine a price using this method, first establish the 'export-base cost' by stripping away profit mark-up and the cost of domestic selling. In addition to the basic cost, include genuine export expenses (export overheads, special packing, shipping, port charges, insurance, overseas commissions, and allowance for sales promotion and advertising) and the unit price necessary to yield the desired profit margin.

☞ A good method to set the maximum selling price of your product is to take part in a trade fair such as the European Seafood Expo. CBI may be able to support you in trade fair participation.

How you price your product is worth a good deal of thought and effort since it directly affects your ability to make a profit. Take some time to research the following management questions:

Questions to ask when setting your price

How much does it cost to make your end product?

- Production costs not only include costs for landing, cleaning and processing, but also for packaging, distribution and promoting your products.
- The costs of unsold products also should be included. Waste or fish offal are in most cases high value products for animal feed production.

What are your profit goals?

- A profit goal states how much a business should earn.
- You can set the profit goal as a percentage (margin) above the product costs or set the total profit figure for the entire business.
- A profit goal can guide decisions on the amount of your production and the price you will charge.

How will you market your product?

- Are you producing on a contract basis for a European importer or processor?
- Do you sell your products on an arms-length basis to customers in Europe?

What price do competitors charge?

- Try to gain an industry focus on your pricing by researching your competitors' price levels.
- By walking through the steps indicated in Section 10.2, you will know the prices competitors charge and why they charge what they do. Use the competitive analysis to develop the upper limit of your price range. Be sure you compare your products to comparable competitors.
- If competition is intense, you should price at the lower end of the price range unless you can distinguish your product through quality or a unique selling feature.

What is the customer demand for my product?

- How unique is your product?
- To price according to demand you have to know more about the size and nature of your customer base and their feelings about pricing.
- You will need to keep an eye on general market trends, particularly if your product range has many substitutions. See also Chapter 3.
- Who is responsible for rate differences? You sell in foreign currency and buy from fishermen or fish farmers in local currency. Understanding banking with regard to currency can increase profit.

Understanding how to price your product is an essential step in developing your business. You must continually monitor your price including your costs of production, your competition and your customers and be prepared to make adjustments.

Below, you find an overview of the way you can calculate the price of your export product (for information on Incoterms see the next Section).

Export price calculation

Total costs per unit
+ Profit
+ Commissions
+ Domestic banking fees
+ Palletisation / export packing
+ Freight forwarding and documentation fees
+ USDA inspection and phytosanitary certificate fees
+ Other direct expenses related to special shipping requirements such as temperature recorder charges
= EXW price (Ex Works)
+ Inland transportation
= FAS price (Free Alongside Ship)
+ Terminal handling charges
= FOB price (Free On Board)
+ Ocean freight charges
+ Ancillary charges
= CFR price (Cost & Freight)
+ Insurance
= CIF price (Cost, Insurance, Freight)

Handling the contract

When handling the contract, the terms and the fulfilment should be considered.

Terms of payment

There are various methods of receiving payment for your exports. The most commonly used terms in the trade of fishery products are open account and payment in advance. While exporters may prefer a letter of credit (L/C) or other form of advance payment, importers are not very keen on this since it exposes them to the risk that they can not get their money back when there is a problem with the shipment. Furthermore, any payment term has a bearing on liquidity and different costs are involved. For long-term contacts and contracts, payment terms will normally change into an open account.

- Open account

Selling on open account carries the greatest risk for the exporter. Under this method, the buyer does not pay for the goods until they have been received. If the buyer refuses to pay, the only recourse by the exporter is to seek legal action in the buyer's country. Thus, the open account method should only be utilised when there is an established relationship with the buyer and the country of the buyer possesses a stable political and economic environment. If your sales must be made on open account, the date upon which the payment is due should be stipulated. Ask for a bank guarantee and request references.

- Cash against document

Under this arrangement the documents that indicate ownership of a consignment (e.g. Bill of Lading) are passed on to the buyer only when the payment has been deposited. These documents are initially sent to a bank by the exporter. The procedure involves few costs, while it gives the exporter some additional security against non-payment. On the other hand, if the goods are not paid for, the exporter will still have to face the problem of dealing with them in an alternative way.

- Advance payment

This method is the most desirable from the seller's standpoint, because all risk is eliminated. While cash in advance may seem most advantageous to you, insisting on

these terms may cost you sales. Just like domestic buyers, foreign buyers prefer greater security and better cash utilisation. Some buyers may also find this requirement insulting, especially if they are considered credit worthy in the eyes of the rest of the world. Advance (partial) payments and progressive payments may be more acceptable to a buyer, but even these terms can result in a loss of sales in a highly competitive market.

In case of co-operation agreements with overseas companies, payment terms could also include periodical payments.

Terms of sale

Export terms of sale determine what costs are covered in the price of the cargo. They also indicate at what point ownership transfers to the buyer and at what point responsibility for the cargo is transferred. International commercial terms (Incoterms) are the most widely used international trade rules. Some of the most important Incoterms are mentioned below:

- **FOB (Free on Board).** Under this term, the seller quotes a price for goods that includes the cost of loading at the port of departure. The buyer bears the cost of sea transport and insurance.
- **CFR (Cost and Freight).** For shipments to designated overseas port of entry, the seller quotes a price for the goods that includes the cost of transportation to the named point of debarkation. The buyer is responsible for the cost of insurance. This is referred to as C&F in the old Incoterms. The seller pays for the cost of unloading cargo at the port of destination to the extent that they are included in the freight charges. If the charges are separate, they fall to the account of the buyer.
- **CIF (Cost, Insurance, Freight).** Under this term, for shipments to designated overseas port of import, the seller quotes a price for the goods, including insurance costs and all transportation and miscellaneous charges, to the point of debarkation from the vessel or aircraft. The seller pays for the cost of unloading cargo at the port of destination, to the extent that they are included in the freight charges. If the charges are separate, they fall to the account of the buyer. European buyers prefer this type of trade terms as FOB increases the costs for freight very much.

Contract fulfilment

It is important for exporters to consider and discuss the 'what ifs' with their trade partner: what if there is a problem with inspection, what if a claim is necessary because the fishery products are mishandled during transport by a third party, and what if your customer has a problem with product quality after arrival.

Important issues are:

- Procure the delivery documents in good time.
- Comply strictly with all parts of the supply agreement. If you cannot comply with any part of the agreement (e.g. delivery delays or quality problems), inform the customer clearly and in good time.
- Co-operate on a partnership basis and seek a common solution even if conflicts arise.
- Fulfilling the contract should have a high priority, particularly when delivering for the first time.
- Regarding risks such as destruction or sending back freights, it is important to make clear agreements with the customers.

Other more practical questions that should be asked are:

- When is the shipment needed?
- Does the customer have a preferred freight carrier?
- Which ocean port (or airport) is most convenient?
- Does he have an agent to clear the shipment through Customs?
- Does the customer want to pay the shipment to be insured?

To get more insight in different payment conditions and terms of delivery please refer to "CBI Export Planner".

Sales promotion

One of the major critical success factors for exporters of fishery products to the European Union is attention to customer requirements and the ability to maintain good relationships with their European business partners. Sales promotion revolves around developing and expanding these customer relations and thereby maintaining and increasing sales quantities.

Some tips for developing customer relations:

- Take good care of existing contacts. This includes for example expressions of thanks to business partners, regular information on the company developments like product range, quality improvements, etc.
- Always answer a letter of inquiry. If you cannot supply this contact, say so, explaining that you will get in touch with him for the next campaign.

Communication

European business partners understandably appreciate clear communication. Moreover, good communication is important especially in the fish trade, because business relation depend so much on confidence.

In practice it is advisable to start with communication measures that only require a small amount of planning and co-ordinating, such as revising the company's standard printed matter:

- Standardise all printed paper used outside the company (letterheads, visiting cards, fax form, etc.);
- A brochure of your company (including photos of production sites and produce) can be useful for promoting new contacts and sales;
- A company Internet site with information on the products, contact details and possibly a request form.

Constant, prompt and reliable communication is a vital prerequisite for maintaining a long-term business relationship with your customers. If possible, smaller firms should also try to be reachable by (mobile) phone during office hours.

Sales organisation

The term 'sales organisation' refers to the organisational system that carries out the sales of the company's products. A sales organisation usually consists of back office and sales force.

As most sales are conducted by telephone, fax or e-mail, having well functioning sales staff is an absolute precondition for successful market participation. This also applies to smaller companies where one person has to fulfil different (sales) functions.

An essential tool used in sales is a detailed and up-to-date customer database. This database can vary from a simple collection of customer data sheets to an advanced customer relation management system. However, the customer database should at least contain the following information:

- Basic information on the customer: name, address, telephone numbers, etc.
- Changing data on the customer: data resulting from business activities with the customer, such as telephone calls, offers, sales information, preferences etc.

The customer database should give the sales person a quick review of the most important customer information when making or answering a telephone call or planning a visit. If possible, the database should be computerised, because this

simplifies changes, updating, sorting and selection procedures, etc. If computerisation is not possible, the customer database should be on file cards.

Internet

As a source of information and means of communication, Internet is generally considered to have many opportunities for companies in developing countries. The main advantages of the Internet are:

- Low cost of communication;
- Fast delivery of information;
- Independence of distance and timeline;
- Multimedia possibilities.

Besides one-to-one communication by e-mail, internet offers opportunities for presentations, (market) research, distribution, sales and logistical improvements. If your target group consists of importers/processors in overseas countries, you can advertise for (new) customers on your Internet site, showing your company, product range and indicating the production circumstances. Please be advised about the do's and don'ts of an Internet site. It is better to have a simple but clear site than a comprehensive but unfinished one.

Trade fairs

Although trade fairs are not the one and only solution to finding your European trade partner, visiting trade fair abroad is an efficient tool for communicating with prospective customers. Although significant costs are involved, participating in a trade fair with one own stand is also an option. This provides more facilities for communicating a trade message than any other trade promotional tool. Trade fairs are furthermore important source of information on market developments, production techniques and interesting varieties.

Important motives for companies visiting European trade fairs are:

- Establishing contacts with potential customers;
- Orientation on the European market;
- Gathering information on specific subjects.

A specific objective for participating in a fair could be to meet European companies interested in setting up fishery production facilities in third countries. One of the major advantages of participating in a trade fair is the ability to present your company and products in a more extensive way (3-D presentation, company video, and product displays).

For exporters of niche products (for example ethnic products such as dried fish) participation in a trade fair is only useful when they expect to export decent quantities to justify the freight rates. Freight costs of small quantities will jack up the prices too much. On the other hand, niche products can distinguish your position from other exporters. If you have a unique product, importers may buy their total requirement only from you, if they are interested. Please also refer to Paragraph 11.2 about USPs. As the number of importers interested in a niche product is probably small, an alternative approach may be to directly contact these potential buyers, rather than participate in a trade fair.

Trade fairs for fish and fishery products are organised in many European Union countries. The most relevant fair for exporters of fishery products is the European Seafood Exposition together with Seafood Processing Europe, held once a year in Brussels (www.euroseafood.com). Contact addresses of trade fairs are listed in Appendix 3.4.

For additional information on trade fair participation, please refer to CBI's Handbook *"Your show master - a guide for selection, preparation and participation in trade fairs."*

Assistance with market entry

- Local business support organisations

Before approaching organisations abroad, an exporter should first check with local business support organisations (trade promotion organisations, Chambers of Commerce, etc.) and foreign representatives in his or her country.

- Import Promotion Organisations

In most EU countries, there are organisations that promote imports from developing countries through specific export promotion activities:

- They supply information on: statistics and other information on national markets, regular news bulletins, importer databases, and market opportunities;
- Individual assistance is offered: management training, testing products by display and adaptation services; and
- They can establish contacts: collective trade fair participation and selling missions.

Branch organisations

In most European countries producers, wholesalers and retailers are organised in branch or sector organisations. These organisations can be of use to new exporters to the EU. Two examples are the French Ofimer and the Dutch Fish Marketing Board, both of them providing information on markets and trends in fishery products.

Contact details of these organisations can be found in Appendix 3.

APPENDIX 1 DETAILED HS CODES

HS code	Description
0300 0000 00	Fish and crustaceans, molluscs and other aquatic invertebrates
0301 1	Live Ornamental Fish
0301 9	Live Fish
0301 9 1	Trout
0301 9 2	Eels
0301 9 3	Carp
0301 9 9	Other live fish
0302	Fish, fresh or chilled, excluding fish fillets and other fish meat of heading 0304
0302 1	Salmon and trout
0302 1 1	Trout
0302 1 2	Salmon (Pacific, Atlantic and Danube)
0302 1 9	Other salmon
0302 2	Flatfish
0302 2 1	Halibut
0302 2 2	Plaice
0302 2 3	Sole
0302 2 9	Other flatfish
0302 3	Tuna (albacore, longfin, yellowfin, skipjack, bonito) industrial other
0302 4	Herring
0302 5	Cod
0302 6	Other fish:
0302 6 1	Sardines
0302 6 2	Haddock
0302 6 3	Coalfish
0302 6 4	Mackerel
0302 6 5	Shark
0302 6 6	Eels
0302 6 9	Other
0302 7	Livers and roes
0303	Fish, frozen, excluding fish fillets and other fish meat of heading 0304
0303 1	Pacific salmon
0303 2 1	Trout
0303 2 2/9	Other salmon
0303 3	Flatfish
0303 3 1	Halibut
0303 3 2	Plaice
0303 3 3	Sole
0303 3 9	Other flatfish
0303 4	Tuna (industrial use / other)
0303 5	Herring
0303 6	Cod
0303 7	Other fish
0303 7 1	Sardines
0303 7 2	Haddock
0303 7 3	Coalfish
0303 7 4	Mackerel
0303 7 5	Shark
0303 7 6	Eels
0303 7 7	Sea bass
0303 7 8	Hake
0303 7 9	Other

HS code	Description
0303 8	Livers and roes
0304	Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen
0304 1	fresh or chilled fillets and other fish meat
0304 1 01	Freshwater fish fillets (e.g. trout and salmon)
0304 1 03	Other fillets
0304 1 09	Other fish meat
0304 2	Frozen fillets
0304 2 01	Freshwater fish fillets (e.g. trout and salmon)
0304 2 02	Cod
0304 2 031	Coalfish
0304 2 033	Haddock
0304 2 035/7	Redfish
0304 2 041	Whiting
0304 2 043	Ling
0304 2 045	Tuna
0304 2 051/3	Mackerel
0304 2 057/9	Hake
0304 2 061/9	Shark
0304 2 071	Plaice
0304 2 073	Flounder
0304 2 075	Herring
0304 2 079	Megrim
0304 2 081	Ray's bream
0304 2 083	Monkfish
0304 2 085	Alaska Pollack
0304 2 087	Swordfish
0304 2 09	Other
0304 9	Other
0304 9 005	Surimi
0304 9 010	Freshwater fish
0304 9 02	Herring
0304 9 031	Redfish
0304 9 035/8/9	Cod and fish of the species <i>Boreogadus saida</i>
0304 9 041	Coalfish
0304 9 045	Haddock
0304 9 047/9	Hake
0304 9 051	Megrim
0304 9 055	Ray's bream
0304 9 057	Monkfish
0304 9 059	Blue whiting
0304 9 061	Alaska pollack
0304 9 065	Swordfish
0304 9 097	Other
0305	Fish, dried, salted or in brine; smoked fish, whether or not cooked before or during the smoking process; flours, meals and pellets of fish, fit for human consumption
0305 1	Flours, meals and pellets of fish
0305 2	Livers and roes
0305 3	Fish fillets, dried, salted or in brine, but not smoked
0305 3 01	Cod
0305 3 03	Salmon (Pacific, Atlantic and Danube)
0305 3 05	Halibut
0305 3 09	Other
0305 4	Smoked fish, including fillets
0305 4 1	Salmon (Pacific, Atlantic and Danube)

HS code	Description
0305 4 2	Herring
0305 4 9	Other
0305 5	Dried fish, whether or not salted, but not smoked
0305 5 1	Cod
0305 5 9	Other
0305 6	Fish, salted but not dried or smoked and fish in brine
0305 6 1	Herrings
0305 6 2	Cod
0305 6 3	Anchovies
0305 6 9	Other
0306	Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; crustaceans, in shell, cooked by steaming or by boiling in water, whether or not chilled, frozen, dried, salted or in brine; flours, meals and pellets of crustaceans, fit for human consumption
0306 1	Frozen
0306 1 1	Rock lobster and other sea crawfish
0306 1 2	Lobster
0306 1 3	Shrimps and prawns
0306 1 4	Crabs
0306 1 9	Other, including flours, meals and pellets of crustaceans, fit for human consumption
0306 2	Not frozen
0306 2 1	Rock lobster and other sea crawfish
0306 2 2	Lobster
0306 2 3	Shrimps and prawns
0306 2 4	Crab
0306 2 9	Other, including flours, meals and pellets of crustaceans, fit for human consumption
0307	Molluscs, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; aquatic invertebrates other than crustaceans and molluscs, live, fresh, chilled, frozen, dried, salted or in brine; flours, meals and pellets of aquatic invertebrates other than crustaceans, fit for human consumption
0307 1	Oysters
0307 2	Scallops
0307 3	Mussels
0307 4	Cuttlefish, squid
0307 5	Octopus
0307 6	Snails
0307 9	Other
1604	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs
1604 1	Fish, whole or in pieces, but not minced
1604 1 1	Salmon
1604 1 2	Herring
1604 1 3	Sardines, sardinella and brisling or sprats
1604 1 4	Tunas
1604 1 5	Mackerel
1604 1 6	Anchovies
1604 1 9	Other
1604 2	Other prepared or preserved fish
1604 2 005	Preparations of Surimi
1604 2 01	Salmon
1604 2 03	Salmonidae, other than salmon
1604 2 04	Anchovies

HS code	Description
1604 2 05	Sardines
1604 2 07	Tunas
1604 2 09	Other fish
1604 3	Caviar and caviar substitutes
1605	Crustaceans, molluscs and other aquatic invertebrates, prepared or preserved
1605 1	Crab
1605 2	Shrimps and prawns
1605 3	Lobster
1605 4	Other crustaceans
1605 9	Other
1504	Fats and oils and their fractions, of fish and marine mammals, whether or not refined, but not chemically modified
1504 1	Fish liver and their fractions
1504 2	Fats and oils and their fractions, of fish, other than liver oils
1504 3	Fats and oils and their fractions, of marine mammals

APPENDIX 2 DETAILED IMPORT/EXPORT STATISTICS

The source of the data presented below is Eurostat COMEXT 2004.

**Imports of fishery imports into the EU, by country of origin, 2001-2003,
millions € / 1,000 tonnes**

	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Total EU-25	23,977	7,819	23,626	7,616	23,253	8,022
Extra EU	13,310	4,398	12,893	4,260	12,847	4,574
Developing countries	7,064	2,209	6,822	2,163	7,113	2,409
Top 10 suppliers						
Norway	2,200	810	2,091	738	1,966	785
Denmark	2,144	601	2,001	536	1,865	542
Netherlands	1,747	403	1,784	431	1,713	458
Spain	1,395	481	1,422	490	1,449	494
Utd. Kingdom	1,249	390	1,186	381	1,158	413
France	975	384	1,001	340	994	304
Iceland	959	268	942	270	925	307
Fr Germany	911	380	964	405	913	435
Morocco	588	189	656	181	646	176
Argentina	662	206	547	202	640	228
Developing countries						
China	676	253	350	142	505	229
Thailand	414	129	385	143	366	163
India	279	81	314	95	354	109
Chile	316	92	303	97	281	94
Ecuador	238	77	252	77	277	99
Namibia	297	105	234	87	256	99
South Africa	225	74	236	75	241	75
Indonesia	216	36	176	39	223	54
Senegal	209	52	225	52	213	51
Seychelles	177	66	226	87	212	81
Bangladesh	179	18	194	23	196	27
Madagascar	129	23	157	28	177	37
Brazil	112	21	126	30	171	49
Malaysia	115	20	94	20	135	34
Ivory Coast	124	49	169	59	133	47
Vietnam	127	31	100	32	132	46
Tanzania	123	28	142	29	128	33
Colombia	125	31	125	34	123	37
Turkey	74	23	104	33	111	33
Mauritania	125	47	121	39	107	31
Ghana	102	44	100	44	102	45
Peru	138	111	108	78	101	83
Philippines	64	32	102	47	96	51
Tunisia	96	15	94	16	96	16
South Korea	105	47	97	50	92	45
Mauritius	73	28	76	28	65	30
Uganda	69	17	71	15	59	16
Mozambique	78	8	68	7	59	7

	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Venezuela	56	32	66	36	56	22
Nigeria	61	8	55	9	51	8
Uruguay	50	16	45	15	48	21
Honduras	22	3	28	4	44	7
Iran	49	5	54	8	44	8
Cuba	52	4	68	5	41	4
Guatemala	40	29	36	21	40	19
Kenya	46	11	41	9	38	10
Pakistan	36	9	40	14	37	16
Panama	27	24	31	24	35	28
Mexico	38	18	53	21	34	22
Costa Rica	19	5	28	9	31	11
Oman	21	5	23	6	28	8
Yemen	26	8	19	6	26	10
Sri Lanka	20	3	23	3	25	4
Guinea	22	7	22	7	24	6
Papua N.G.	6	3	13	6	24	13
Surinam	19	5	22	6	20	6
Gabon	17	3	15	2	16	3
Maldives	16	7	15	6	14	6
Myanmar	17	5	16	6	14	6
Algeria	8	2	9	2	13	2
Albania	7	2	11	2	13	2
El Salvador	2	2	11	9	11	10
Togo	10	3	13	5	10	5
Nicaragua	9	1	10	1	10	2
Kasakhstan	0	0	1	0	5	2
Guinea Biss.	2	1	4	2	5	3
For.JRep.Mac	4	1	4	1	5	1
Congo	1	0	3	1	3	1

Imports of shrimps and prawns into the EU, by country of origin, 2001-2003, millions € / 1,000 tonnes

	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Total	3,901	598	3,621	636	3,760	715
Extra Eu	2,658	422	2,367	441	2,587	518
Developing countries	2,086	282	1,796	287	2,027	351
Top 5 suppliers						
Argentina	354	50	283	48	343	40
Netherlands	334	38	363	48	322	46
Denmark	217	40	214	43	205	45
India	135	19	166	34	193	42
Bangladesh	171	16	181	20	184	24
Developing countries						
Indonesia	148	16	101	16	135	28
Brazil	74	12	96	20	134	37
Madagascar	99	10	114	11	121	12
Malaysia	91	14	66	13	103	23
Morocco	62	10	90	13	93	14

	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Ecuador	93	13	78	13	92	19
Mozambique	74	7	63	7	58	7
Colombia	56	8	47	9	47	11
Nigeria	57	7	51	7	46	6
Honduras	19	2	27	3	43	6
Vietnam	65	10	23	3	38	6
Tunisia	41	4	39	4	38	4
Thailand	127	15	52	8	31	5
Senegal	39	7	31	6	29	6
Guatemala	15	2	18	3	29	5
Pakistan	30	7	30	10	26	12
Venezuela	21	2	14	2	24	4
Iran	23	3	26	5	23	5
Philippines	2	0	7	2	20	5
Surinam	14	2	17	4	16	4
Gabon	15	2	14	2	15	2
Turkey	6	1	10	2	11	2
Guinea	6	1	7	1	10	2
China	111	22	19	3	10	1
Tanzania	12	1	9	1	9	1
Cuba	7	1	10	1	9	1
Algeria	5	1	5	1	8	1
Seychelles	2	0	1	0	8	1
Nicaragua	5	1	5	1	8	2
Myanmar	9	1	10	3	8	3
Mauritania	7	1	7	1	7	2
Peru	2	0	4	1	7	1
Panama	2	0	3	0	7	1
Ivory Coast	10	1	6	1	6	1
Costa Rica	8	1	8	1	5	1

Imports of tuna into the EU, by country of origin, 2001-2003, € / tonnes

	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Total	1,743,573	787,911	2,059,729	871,430	1,937,009	891,171
Extra EU	1,121,815	559,825	1,353,023	628,762	1,253,929	645,679
Developing countries	1,046,146	504,554	1,284,373	578,491	1,181,060	583,653
Top 5 suppliers						
Spain	273,696	93,234	268,990	82,872	284,804	95,632
Ecuador	133,411	61,401	165,698	62,239	176,429	77,214
Seychelles	168,384	64,324	207,624	79,987	190,137	74,648
Thailand	96,088	46,001	128,544	58,991	124,803	69,370
France	117,708	64,296	135,609	55,287	125,058	55,697
Developing countries						
Ivory Coast	107,003	44,912	156,672	56,019	121,001	44,478
Philippines	51,520	28,188	80,732	41,627	65,039	42,503
Ghana	87,890	39,608	81,767	38,969	77,315	39,010
Mauritius	67,920	26,771	71,565	27,346	60,165	28,614
Panama	18,449	18,655	20,576	18,748	22,725	25,154
Colombia	63,318	21,465	72,756	24,036	70,286	25,067
Madagascar	25,133	11,293	37,260	15,420	49,019	23,606
Mexico	13,277	11,960	15,512	12,686	18,644	18,303
Venezuela	29,209	27,751	46,785	32,843	26,125	15,698
Guatemala	25,080	26,542	17,961	17,697	11,487	13,700
Papua N.G.	6,296	2,787	13,446	5,912	24,021	12,588
Indonesia	16,057	9,738	21,404	12,324	14,891	10,245
Senegal	28,882	11,414	24,432	9,212	26,277	9,505
El Salvador	1,802	1,639	8,639	8,450	9,170	9,333
Costa Rica	5,278	1,900	14,425	5,919	20,946	7,765
Maldives	12,230	6,136	12,121	5,451	10,426	5,735
Morocco	10,325	5,728	11,641	6,126	11,062	5,021
South Korea	7,030	5,920	19,043	14,055	5,716	4,701
South Africa	13,592	5,035	10,195	4,648	6,741	3,916
Kenya	23,805	6,986	9,032	2,604	9,443	3,085
Brazil	4,648	2,740	5,505	3,598	4,115	2,590
Vietnam	2,223	1,265	4,509	2,642	3,363	2,468
Yemen	2,692	726	6,899	2,147	6,873	2,393
Turkey	6,196	2,907	3,342	1,045	4,697	1,845
Iran	19	3	1,784	1,226	2,058	1,821
Namibia	2,450	919	3,340	1,575	1,678	926
Peru	1,820	693	1,637	602	1,517	624
Mayotte			586	434	682	505
Tunisia	3,395	764	2,519	499	1,498	260
Fiji	684	264	272	162	362	237
Oman	820	294	1,921	603	496	187
Cuba	428	82	614	125	750	182
China	326	164	332	201	260	172
India	188	68	166	122	141	149

Imports of cephalopods into the EU, by country of origin, 2001-2003, € / tonnes

	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Total	1,202,601	484,489	1,370,282	466,545	1,459,311	492,677
Extra EU	857,916	345,272	983,695	333,913	104,8019	364,448
Developing countries	762,748	268,190	892,862	271,951	921,954	297,588
Top 5 suppliers						
Spain	204,982	89,937	207,540	79,102	218,368	74,039
India	118,527	52,556	123,232	52,241	136,010	59,310
Thailand	86,490	35,064	97,765	39,073	104,328	44,920
Falkland Is.	45,666	42,698	49,296	33,098	86,831	41,806
Morocco	244,431	63,434	268,447	53,961	220,376	40,223
Developing countries						
China	52,868	22,306	44,802	17,900	53,440	21,141
Peru	15,649	11,408	13,771	9,186	26,424	18,602
Senegal	29,134	8,956	70,868	17,246	71,891	16,569
Vietnam	17,135	8,165	18,743	10,017	26,090	15,242
Mauritania	64,636	19,165	62,272	15,887	55,067	11,829
South Africa	25,207	5,532	36,875	7,246	49,594	10,661
Tunisia	20,878	6,153	30,309	7,985	37,340	7,888
South Korea	1,717	801	7,793	2,753	20,783	7,657
Malaysia	6,194	3,105	7,342	3,687	13,550	6,637
Ghana	8,541	3,238	12,688	3,882	18,162	4,919
Yemen	10,012	4,538	3,538	1,602	9,035	4,114
Pakistan	1,978	979	5,693	2,780	6,480	3,284
Indonesia	3,580	1,556	4,286	1,745	7,695	3,245
Oman	3,973	1,771	3,978	1,418	6,342	2,880
Philippines	6,454	2,856	9,026	3,246	6,695	2,210
Mexico	14,367	4,007	31,122	5,929	10,240	1,985
Tanzania	2,211	726	3,671	973	6,433	1,601
Chile	1,786	568	2,751	713	6,469	1,589
Guinea Biss.	605	342	1,778	732	2,606	1,246
Guinea	1,771	817	2,644	1,218	2,735	1,148
Argentina	1,851	1,306	1,130	766	1,334	864
Ivory Coast	1,665	764	1,522	540	2,011	840
Turkey	1,188	410	2,436	645	3,807	814
Seychelles	488	134	888	380	1,842	797
Kenya	412	169	1,684	485	2,179	653
Algeria	642	407	1,343	514	1,822	623
Nigeria	491	333	778	448	1,055	616
Croatia	1742	974	1,475	654	1,575	559
Madagascar	465	179	1,344	433	1,506	462
Egypt	698	233	1,522	498	1,511	437
Iran	2626	1,069	1,969	749	943	393
Angola	9582	3,027	9,781	3217	1,024	294
Brazil	643	216	600	182	816	256

Imports of hake into the EU, by country of origin, 2001-2003, € / tonnes

	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Total	901,928	356,420	871,881	356,155	892,838	373,310
Extra EU	691,461	284,355	671,351	288,313	681,284	300,452
Developing countries	641,861	258,105	619,536	259,058	646,354	279,377
Top 5 suppliers						
Namibia	229,744	87,747	171,199	69,108	204,240	82,564
South Africa	148,133	54,213	155,358	53,719	153,017	51,832
Argentina	77,949	38,645	115,869	68,763	136,896	88,495
Spain	109,758	41,336	108,394	41,367	111,089	44,234
Chile	99,266	34,835	103,621	36,231	97,351	34,661
Developing countries						
Uruguay	25,253	7,628	28,603	8,181	35,155	14,355
Morocco	771	237	5,538	1,398	14,630	4,235
Peru	52,812	30,454	30,981	17,802	2,435	1,557
China	2,824	1,278	691	351	681	431
Croatia	325	138	439	165	627	199
Mauritania	1,002	1,082	711	961	464	565
Turkey	1,242	329	56	12	128	25
Tunisia	76	40	204	113	126	64
Togo			286	198	98	81
Eritrea			52	37	66	47
Brazil	157	77	0	0	63	36
Saudi Arabia			1	0	54	17
Malaysia	24	7	26	7	52	15
Thailand			117	34	45	9
Senegal	1,444	896	1,455	929	36	32
Vietnam			5	2	35	19
Albania	37	27	20	15	32	41
Saint Helena					22	7
Algeria					20	27
Mexico	82	45			15	16
South Korea	0	0			12	6
Sri Lanka			16	5	8	2
Ecuador	272	151	44	21	7	11
Guinea Biss.					6	6
Indonesia	4	1	2	0	5	1
Guinea	3	3	2	1	4	4
Bosnia and Herz.					2	3
India	3	1	21	15	0	0
Tanzania			66	18	0	0

Imports of crab & lobster into the EU, by country of origin, 2001-2003, € / tonnes

	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Total	838,010	97,774	815,083	97,460	771,309	102,171
Extra EU	440,840	39,075	418,919	36,736	382,460	37,343
Developing countries	176,680	19,314	164,671	16,972	132,478	17,034
Top 5 suppliers						
United Kingdom	150,913	26,892	157,113	26,925	150,971	29,978
Canada	120,956	9,784	102,172	8,401	99,107	8,583
USA	97,678	7,002	90,262	6,896	86,078	6,920
Spain	48,593	4,655	56,394	5,694	50,259	5,233
Netherlands	46,763	5,332	45,441	6,088	44,521	5,796
Developing countries						
Cuba	44,277	2,659	56,236	3,364	30,236	2,185
Thailand	25,029	3,814	16,309	2,503	14,317	2,529
Vietnam	10,940	1,776	11,329	2,030	11,729	2,435
Chile	14,837	990	12,496	1,091	8,187	686
South Africa	5,781	224	5,939	212	6,978	328
Morocco	8,103	943	7,394	963	6,574	808
Madagascar	2,224	434	2,299	400	4,115	566
Tunisia	9,762	1,197	3,943	251	3,815	179
China	6,562	1,461	2,316	613	3,032	925
Mauritania	1,420	94	2,872	149	2,899	170
Argentina	3,536	521	2,704	324	2,839	294
Armenia	99	20	1,432	345	2,593	715
Indonesia	2,290	374	1,232	240	2,412	481
El Salvador	94	10	2,651	250	2,312	263
Senegal	2,853	541	2,260	327	2,198	379
India	3,110	668	1,449	268	2,052	519
South Korea	2,405	218	1,832	246	1,971	351
Mexico	4,093	179	2,519	105	1,737	98
Nigeria	967	454	919	471	1,673	879
Ghana	1,704	168	1,295	114	1,632	143
Ecuador	2,786	138	2,031	105	1,584	92
Panama	447	16	826	74	1,446	108
Gabon	1,351	217	1,088	142	1,443	182
Peru	1,201	143	1,622	209	1,389	208
Nicaragua	3,992	110	4,538	120	1,278	42
Oman	1,439	84	553	34	1,254	73
Tanzania	823	92	565	50	1,059	85
Iran	1,270	163	1,018	173	959	189
Uruguay	422	50	1,454	246	927	191
Malaysia	1,906	251	3,065	476	903	174
Turkey	2,049	500	1,583	318	849	184
Kenya	472	37	463	34	822	64
Yemen	1,020	56	980	65	606	48
Togo	272	29	366	28	518	38

Imports of molluscs into the EU, by country of origin, 2001-2003, € / tonnes

	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Total	895,405	340,315	909,934	337,671	926,444	388,849
Extra EU	288,801	76,997	287,840	89,129	298,260	101,338
Developing countries	176,876	58,632	175,554	69,250	186,699	80,467
Top 5 suppliers						
Netherlands	188,882	65,068	180,282	59,357	183,217	69,815
Utd. Kingdom	91,142	22,247	92,275	22,290	95,685	28,377
France	64,447	21,457	72,978	23,075	75,451	22,434
Chile	63,503	10,794	56,650	11,993	64,227	17,360
Spain	55,179	34,441	63,464	40,387	61,761	39,978
Developing countries						
Peru	31,197	18,326	28,818	25,222	29,613	28,069
Turkey	16,145	4,720	23,323	6,118	23,545	6,451
Argentina	13,254	1,574	16,935	2,333	17,693	3,156
Vietnam	7,373	3,252	12,648	5,491	11,275	4,916
Morocco	10,276	10,915	7,770	9,073	10,047	11,269
Thailand	5,213	1,786	9,713	3,319	8,904	3,020
Tunisia	4,367	860	4,409	868	5,111	880
FJRO Macedonia	3,934	1,149	4,414	1,114	5,010	975
South Korea	3,338	505	2,372	351	4,901	1,500
Indonesia	2,669	912	2,540	827	2,466	805
Uruguay	9,165	1,366	3,490	605	2,200	525
Jamaica	3,203	291	1,358	257	1,721	434
Mexico	1,294	1,074	2,080	1,184	828	558
Bosnia and Herz.	251	96	227	159	742	150
China	1,188	463	370	91	670	178
Yemen	238	113	270	106	456	210
Algeria	461	127	160	50	435	126
Oman	106	50	289	161	240	109
Serbia Montenegro	476	178	191	168	239	167
India	548	168	597	248	171	76
Namibia	133	33			153	54
Syria	193	41	65	14	113	26
South Africa					105	22
Madagascar	100	36	20	10	98	26
Brazil	30	8	8	4	80	22
Malaysia	20	8	82	18	55	14
Ecuador	107	84	21	27	55	27
Sri Lanka	65	9	72	7	47	4
Dominican R.	27	3	36	3	41	4
Nigeria	1	0	20	12	37	25
Philippines	16	4			30	10
Panama	23	27			27	7
Moldova			34	76	26	62
Marshall Is.	0	0	34	3	26	2

Imports of sardines into the EU, by country of origin, 2001-2003, € / tonnes

	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Total	236,659	211,236	260,019	225,343	262,895	220,201
Extra EU	107,582	65,930	113,901	73,686	119,037	74,150
Developing countries	92,921	54,285	98,210	59,761	103,678	59,155
Top 5 suppliers						
Morocco	71,017	35,762	80,574	45,656	86,494	43,416
Portugal	42,408	24,248	52,673	29,377	49,370	31,402
Spain	21,743	17,535	27,020	29,498	28,274	21,981
Netherlands	11,689	7,724	17,849	12,579	24,085	29,842
Fr Germany	5,971	9,309	14,516	23,057	9,694	5,365
Developing countries						
Thailand	5,832	3,887	5,461	3,919	5,991	4,732
South Africa	2,317	1,815	3,792	3,066	2,981	2,202
Namibia	3,676	2,401	1,174	555	1,192	989
Mauritania	2,705	5,991	1,203	3,133	1,022	3,576
Turkey	918	772	1,117	761	613	505
Tunisia	503	119	454	153	342	143
Philippines	98	47	120	72	238	182
Zambia					143	118
Peru	2,251	1,365	476	142	126	44
Venezuela	174	126	236	216	115	140
Gabon					41	54
Ghana					38	16
Madagascar					33	21
China	27	18	7	5	31	21
South Korea	1	0			25	15
Argentina					21	14
Malaysia	20	5	34	13	14	5
India	9	6	21	30	13	8
Serbia Montenegro					12	5
Senegal	14	21			10	13
Vietnam	71	40	11	6	3	2
Ivory Coast					1	0
Gambia					0	8
Brazil			6	4	0	0

Exports of fishery products to the EU, by product group, 2001-2003, € / tonnes

	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Crustaceans	1,632,149	266,077	1,667,842	298,792	1,660,343	329,495
Fish oil	108,790	155,837	140,630	146,278	137,832	162,901
Smoked dried salted of in brine fish	1008,875	197,133	1,089,996	188,690	1,097,877	187,199
Fresh and chilled fish	2,689,853	978,240	2,724,223	949,312	2,680,422	971,208
Fresh and chilled fish fillets	805,078	169,267	759,063	157,045	761,666	179,341
Frozen fish fillets and fish meat	1,388,188	367,094	1,385,157	372,157	1,419,665	421,140
Frozen fish	1,614,390	1,688,863	1,599,039	1,536,804	1,598,458	1,723,636
Live fish	198,303	42,559	198,673	41,273	179,422	40,456
Molluscs	943,720	415,928	988,758	396,689	1,053,639	429,361
Prepared or preserved crustaceans	830,658	145,334	802,499	138,138	807,002	139,217
Prepared or preserved fish	1,844,378	666,502	1,997,901	717,290	1,897,005	696,982

APPENDIX 3 USEFUL ADDRESSES

Standards organisations

INTERNATIONAL

International Standardisation Institute (ISO)

E-mail: <mailto:central@iso.org>

Internet: <http://www.iso.org>

UN/ECE

Trade Division - Agricultural Standards Unit

E-mail: <mailto:trade@unece.org>

Internet: <http://www.unece.org/>

Joint FAO/WHO Food Standards Programme

Codex Alimentarius Commission ESN division

E-mail: <mailto:fi-inquiries@fao.org>

Internet: <http://www.fao.org/>

EUROPEAN UNION

Comité Européen de Normalisation (CEN)

European Normalisation Committee

E-mail: <mailto:infodesk@cenorm.be>

Internet: <http://www.cenorm.be/>

SGS European Quality Certification Institute E.E.S.V.

E-mail: <mailto:inquiries@sgs.com>

Internet: <http://www.sgs.com/>

FRANCE

Association Française de Normalisation (AFNOR)

E-mail: <mailto:norminfo@afnor.fr>

Internet: <http://www.afnor.fr/>

GERMANY

Deutsches Institut für Normung eV (DIN)

E-mail: <mailto:peter.anthony@din.de>

Internet: <http://www.din.de/>

ITALY

Ente Nazionale Italiano di Unificazione (UNI)

E-mail: <mailto:uni@uni.com>

Internet: <http://www.unicei.it/>

THE NETHERLANDS

Nederlands Normalisatie Instituut (NEN)

Telephone: +31 (0)15 2690390

Internet: <http://www.nen.nl/>

UNITED KINGDOM

British Standards Institution (BSI)

E-mail: <mailto:cservices@bsi-global.com>

Internet: <http://www.bsi-global.com/>

Sources of price information

INTERNATIONAL

Globefish - European Price Report
(published monthly in English)

E-mail: <mailto:globefish-web@fao.org>
Internet: <http://www.globefish.org/>

Infofish

(two-weekly publication in English)

E-mail: <mailto:infish@po.jaring.my>
Internet: <http://www.infofish.org/>

Seafood International

(published quarterly in English)

E-mail: <mailto:marketing@agra-net.com>
Internet: www.agra-net.com

The Public Ledger

(published weekly in English)

E-mail: <mailto:marketing@public-ledger.com>
Internet: <http://www.public-ledger.com/>

FRANCE

Services des Nouvelles des Marchés (SNM)

(published monthly in English)

E-mail: <mailto:cat@snm.agriculture.gouv.fr>
Internet: <http://www.snm.agriculture.gouv.fr/>

UNITED KINGDOM

World Fish Report

(two-weekly bulletin in English)

E-mail: <mailto:marketing@agra-net.com>
Internet: <http://www.agra-net.com/>

3.3 Trade associations

EUROPEAN UNION

Association des Industries du Poisson de L'UE (AIPCEE)

(EU Fish Processors Association)

Telephone: +32 (0)2 7438730
E-mail: <mailto:aipcee@sia-dci.be>

The Federation of European Aquaculture Producers (FEAP)

E-mail: <mailto:secretariat@feap.info>
Internet: www.feap.org

BELGIUM

Beroepsvereniging der Visgroothandelaars in België

(Belgian Association of Fish Wholesalers)

Telephone: +32 (0)59 322714

DENMARK

Danmarks Fiskeindustri

(Association of Danish Fish Processing Industries and Exporters)

Email: <mailto:dfed@dfedk.dk>
Internet: <http://www.danishfish.org/>

FINLAND

Association of Finnish Fish Wholesalers and Retailers

Telephone: +358 (0)9 798583

E-mail: <mailto:kalakauppiaaliito.kiiskinen@kolumbus.fi>

FRANCE

Syndicat National des Fabricants de Produits Surgelés et Congelés
(National Association of Frozen Food)

Telephone: +33 (0)1 5342 1330

E-mail: <mailto:snfps.sfig@ficur.com>

GERMANY

Bundesverband der Deutschen Fischindustrie und des Fischgrosshandels e.V.
(National Association of German Fish Processors and Wholesalers)

E-mail: <mailto:bvfisch@t-online.de>

Internet: <http://www.fischinfo.de/>

IRELAND

Irish Sea Fisheries Board

The Irish Fish Processors and Exporters Association (IFPEA)

E-mail: <mailto:markets@bim.ie>

Internet: <http://www.bim.ie/>

ITALY

Société Trinity Alimentari Italiana
(Italian AIPCEE)

Telephone: +39 (0)3 1779260

THE NETHERLANDS

Produktschap Vis

(Commodity Board for Fishery Products)

E-mail: <mailto:info@pvis.nl>

Internet: <http://www.pvis.nl/>

Nederlands Visbureau

(Dutch Fish Marketing Board)

E-mail: <mailto:info@dutchfish.nl>

Internet: <http://www.dutchfish.nl/>

PORTUGAL

Associação Nacional dos Industriais de Conservas de Peixe (ANICP)
(National Federation of Fish Processing Industry)

Telephone: +351 (0)2 9375213

Internet: <http://www.anicp.pt/>

SPAIN

Asociación Nacional de Fabricantes de Conservas de Pescados y Mariscos
(National Federation of Fishery Product Processors Associations)

Email: <mailto:anfaco@anfaco.es> / <mailto:cecopesca@anfaco.es>

Internet: <http://www.anfaco.es/>

SWEDEN

Fiskbranschens Riksförbund
(authority for the fish sector)

E-mail: <mailto:yngve.bjorkman@abaseafood.se>

Internet: <http://www.fiskbranschen.se/>

UNITED KINGDOM

Federation of British Port Wholesale Fish Merchants Association

Telephone: +44 (0)147-2350022

Fax: +44 (0)147-2240838

UK Association of Frozen Food Producers

E-mail: <mailto:ukasfp@oat.uk> / <mailto:membership@ukaffp.org.uk>

Internet: <http://www.ukaffp.org.uk/>

Sea Fish Industry Authority

E-mail: <mailto:seafish@seafish.co.uk>

Internet: <http://www.seafish.co.uk/>

SWITZERLAND

CASIC (Buying co-operatives of the fish retailers)

Telephone: +41 (0)61 3312726

Fax: +41 (0)61 3312612

Trade fair organisers

BELGIUM

European Seafood Exposition (ESE)

Frequency: annual (Brussels)

E-mail: <mailto:food@divcom.com>

Internet: <http://www.euroseafood.com/>

FRANCE

Salon International de L'Alimentation (SIAL)

Frequency: biennial (2004 Paris)

E-mail: <mailto:sial@sial.fr>

Internet: <http://www.sial.fr/>

GERMANY

Fisch International & Seafood Europe

Frequency: biennial (Bremen 2004)

E-mail: <mailto:info@fishinternational.de>

Internet: <http://www.fishinternational.com/>

ANUGA

Frequency: biennial (2003 Cologne)

E-mail: <mailto:anuga@koelnmesse.de>

Internet: <http://www.koelnmesse.de/anuga>

ITALY

EXPO FOOD

Frequency: biennial (2003 Milan)

E-mail: <mailto:food@expocts.it> / <mailto:expo@expocts.it>

Internet: <http://www.expocts.it/food.asp>

SPAIN

Alimentaria

Frequency: biennial (2004 Barcelona)

Telephone: +34 934521800

Internet: <http://www.alimentaria.com/>

UNITED KINGDOM

IFE

Frequency: biennial (2003 London)
Email: <mailto:ife@freshrm.co.uk>
Internet: <http://www.ife.co.uk/>

Trade press

GENERAL

Fish Farming International
(monthly in English)

E-mail: <mailto:marketing@agra-net.com>
Internet: <http://www.agra-net.com/>

Seafood Business

(two-monthly in English)

Telephone: +1 (0)207 8425500
Internet: <http://www.seafoodbusiness.com/>

Fishing News International

E-mail: <mailto:marketing@agra-net.com>
Internet: <http://www.agra-net.com/>

Seafood International

(published quarterly in English:)

E-mail: <mailto:sfi@informa.com>
Internet: <http://www.agra-net.com/>

World Fishing

(monthly in English)

E-mail: <mailto:christopher.adams@nexusmedia.com>
Internet: <http://www.hhc.co.uk/worldfishmagazine>

World Fish Report

(bi-weekly report in English containing information on production, consumption, prices and legislation)

E-mail: <mailto:marketing@agra-net.com>
Internet: <http://www.agra-net.com/>

Globefish -Highlights

(quarterly in English, French and Spanish)

E-mail: <mailto:globefish-web@fao.org>
Internet: <http://www.globefish.org/>

Eurofish

(bi-monthly publication in English and Russian, part of a set of six periodicals of the Global Network of Fish Marketing Information Services -FAO-, specifically targeted at exporters of fishery products in Eastern Europe)

E-mail: <mailto:info@eurofish.dk>
Internet: <http://www.eurofish.dk/>

Infofish Trade News

(bi-weekly publication in English, part of a set of six periodicals of the Global Network of Fish Marketing Information Services -FAO-, specifically targeted at exporters of fishery products in Asia/Pacific)

Telephone: +60 (0)3 26914466
Internet: <http://www.infofish.org/>

Infopeche Trade News

(bi-weekly publication in English and French, part of a set of six periodicals of the Global Network of Fish Marketing Information Services -FAO-, specifically targeted at exporters of fishery products in Africa)

Telephone: +225 20228980/20213198/20215775

E-mail: <mailto:infopech@africaonline.co.ci>

Infopesca

(monthly publication, part of a set of five periodicals of the Global Network of Fish Marketing Information Services -FAO-, specifically targeted at exporters of fishery products in scientific America)

E-mail: <mailto:infopesca@infopesca.org>

Internet: <http://www.infopesca.org/>

Infosamak

(monthly publication, part of a set of six periodicals of the Global Network of Fish Marketing Information Services -FAO-, specifically targeted at exporters of fishery products in Arab countries)

E-mail: <mailto:info@infosamak.org>

Internet: <http://www.infosamak.org/>

Infoyu

(monthly publication, part of a set of five periodicals of the Global Network of Fish Marketing Information Services -FAO-, specifically targeted at exporters of fishery products in China)

E-mail: <mailto:infoyu@agri.gov.cn>

Internet: http://www.globefish.org/entry_infoyu.htm

BELGIUM

Visaktua

(bi-monthly publication by publisher Promoton)

E-mail: <mailto:info@visaktua.be>

Internet: <http://www.visaktua.be/>

FRANCE

Produits de la Mer

(bi-monthly publication in French)

Telephone: +33 (0)2 99325880

E-mail: <mailto:http://www.visaktua.be/>

GERMANY

Fish International (in English)

Fischmagazin (in German)

Telephone: +49 (0)40 2484540

E-mail: <mailto:fischmagazin@snfachpresse.de>

IRELAND

Irish Skipper

(monthly publication in English)

Telephone: +353 (0)1 2960000

Internet: <http://www.irishskipper.net/>

THE NETHERLANDS

Vismagazine

(monthly publication in Dutch by publisher VWU Uitgevers B.V.)

E-mail: <mailto:redactie.food@zibb.nl>

Internet: <http://www.zibb.nl/food>

SPAIN

Industrias Pesqueras

(bi-weekly publication in Spanish)

E-mail: <mailto:info@industriaspesqueras.com>

Internet: <http://www.industriaspesqueras.com/>

UNITED KINGDOM

Fish Trader

(monthly publication on the UK market)

Telephone: +44 (0)131 5512942

E-mail: <mailto:editor@specialpublications.co.uk>

(European) business support organisations

INTERNATIONAL

International Trade Centre UNCTAD/WTO (ITC)

E-mail: <mailto:itcreg@intracen.org>

Internet: <http://www.intracen.org/>

AUSTRIA

Austrian Federal Economic Chamber

E-mail: <mailto:awo@wko.at>

Internet: <http://www.austriantrade.org/>

DENMARK

Danish Import Promotion Office for Products from Developing Countries (DIPO)

E-mail: <mailto:dipo@commerce.dk> / <mailto:dipo@hts.dk>

Internet: <http://www.dipo.dk/>

Germany

BfAI, Federal Office of Foreign Trade Information

E-mail: <mailto:info@bfai.com>

Internet: <http://www.bfai.com/>

ITALY

ICE

Italian National Institute for Foreign Trade

E-mail: <mailto:ice@ice.it>

Internet: <http://www.ice.it/>

THE NETHERLANDS

CBI, Centre for the Promotion of Imports from developing countries

E-mail: <mailto:cbi@cbi.nl>

Internet: <http://www.cbi.nl/>

NORWAY

Norwegian Agency for Development Co-operation (Norad)

E-mail: <mailto:sk@norad.no>

Internet: <http://www.norad.no/>

SWEDEN

Swedish International Development Co-operation Agency - Department for Infrastructure & Economic Co-operation (SIDA)

E-mail: <mailto:isida@sida.se>

Internet: <http://www.sida.se/>

SWITZERLAND

SIPPO, Swiss Import Promotion Programme

E-mail: <mailto:info@sippo.ch>

Internet: <http://www.sippo.ch/>

Other useful addresses

EUROPEAN UNION

Association of European Chambers of Commerce and Industry

E-mail: <mailto:eurochambres@eurochambres.be>

Internet: <http://www.eurochambres.be/>

Contact point EU ECO-label

Commission of the European Commission

E-mail: <mailto:ecolabel@cec.eu.int>

Internet: <http://www.eco-label.com/>

European Commission

For ACP countries: DG VIII (General directorate for Development VIII)

E-mail: <mailto:civis@europarl.eu.int>

Internet: <http://europe.eu.int/>

Center for the Development of Enterprise (CDE)

Encouraging and supporting the creation and development of enterprises in the ACP countries. It promotes partnerships between ACP and European enterprises.

E-mail: <mailto:info@cde.int>

Internet: <http://www.cde.int/>

GERMANY

Forschungsring für Biologisch-Dynamische Wirtschaftsweise

Contact point biodynamic production / Demeter guidelines

E-mail: <mailto:info@forschungsring.de>

Internet: <http://forschungsring.de/>

THE NETHERLANDS

CBI/AccessGuide

CBI's Environment-Trade-Technology database

E-mail: <mailto:cbi@cbi.nl>

Internet: <http://www.cbi.nl/accessguide>

UNITED KINGDOM

Marine Stewardship Council (MSC)

E-mail: <mailto:info@msc.org>

Internet: <http://www.msc.org/>

APPENDIX 4

LIST OF DEVELOPING COUNTRIES

The list of developing countries as applied in this market survey, is the OECD DAC list of countries receiving Official Development Assistance (Part I). The list used is the one as at 1/1/2003.

Afghanistan	Ghana	Palau Islands
Albania	Grenada	Palestinian Admin. Areas
Algeria	Guatemala	Panama
Angola	Guinea	Papua New Guinea
Anguilla	Guinea-Bissau	Paraguay
Antigua and Barbuda	Guyana	Peru
Argentina	Haiti	Philippines
Armenia	Honduras	Rwanda
Azerbaijan	India	Samoa
Bahrain	Indonesia	São Tomé & Príncipe
Bangladesh	Iran	Saudi Arabia
Barbados	Iraq	Senegal
Belize	Jamaica	Seychelles
Benin	Jordan	Sierra Leone
Bhutan	Kazakhstan	Solomon Islands
Bolivia	Kenya	Somalia
Bosnia & Herzegovina	Kiribati	South Africa
Botswana	Korea, Rep. of	Sri Lanka
Brazil	Kyrgyz Rep.	St. Helena
Burkina Faso	Laos	St. Kitts-Nevis
Burundi	Lebanon	St. Lucia
Cambodia	Lesotho	St. Vincent and Grenadines
Cameroon	Liberia	Sudan
Cape Verde	Macedonia	Surinam
Central African rep.	Madagascar	Swaziland
Chad	Malawi	Syria
Chile	Malaysia	Tajikistan
China	Maldives	Tanzania
Colombia	Mali	Thailand
Comoros	Marshall Islands	Timor, East
Congo, Dem. Rep.	Mauritania	Togo
Congo, Rep.	Mauritius	Tokelau
Cook Islands	Mayotte	Tonga
Costa Rica	Mexico	Trinidad & Tobago
Côte d'Ivoire	Micronesia, Fed. States	Tunisia
Croatia	Moldova	Turkey
Cuba	Mongolia	Turkmenistan
Djibouti	Montserrat	Turks & Caicos Islands
Dominica	Morocco	Tuvalu
Dominican republic	Mozambique	Uganda
Ecuador	Myanmar	Uruguay
Egypt	Namibia	Uzbekistan
El Salvador	Nauru	Vanuatu
Equatorial Guinea	Nepal	Venezuela
Eritrea	Nicaragua	Vietnam
Ethiopia	Niger	Wallis & Futuna
Fiji	Nigeria	Yemen
Gabon	Niue	Yugoslavia, Fed. Rep.
Gambia	Oman	Zambia
Georgia	Pakistan	Zimbabwe

Note: Eurostat figures do not include figures for St. Kitts-Nevis

APPENDIX 5 USEFULL INTERNET SITES

Name	Web address
CBI's AccessGuide	http://www.cbi.nl/accessguide
Convention on International Trade in Endangered Species of Wild Fauna and Flora	http://www.cites.org/
Earth Island Institute	http://www.earthisland.org/
Euro-retailer Produce Working Group	http://www.eurep.org/
EUR-LEX (official documents and legislation)	http://europe.eu.int/eur-lex
Environment Directorate General	http://www.europe.eu.int/comm/environment
Food and Agricultural Organization	http://www.fao.org
Generalised Scheme of Tariff Preferences	http://europa.eu.int/comm/trade/miti/devel/ngsp_reg.htm
Global Food Safety Initiative	http://www.globalfoodsafety.com or http://www.ciesnet.com
Greenpeace	http://www.greenpeace.org
How to export seafood to the EU	http://www.nmfs.noaa.gov/trade
International Federation of Organic Agricultural Movements	http://www.ifoam.org
Marine Stewardship Council	http://www.msc.org
Netherlands Custom Services	http://www.douane.nl/taric-nl
TARIC Database	http://europa.eu.int/comm/taxation_customs/dds/en/tarhome.htm
Trace Fish	http://www.tracefish.org
UN Convention on the Law of the Sea	http://www.un.org/Depts/los/index.htm
World Fish Centre	http://www.worldfishcenter.org
WWF's Endangered Seas Campaign	http://www.panda.org/endangeredseas

APPENDIX 6 LIST OF (PROVISIONALLY) HARMONISED COUNTRIES

A) List of harmonised (list I) and provisionally harmonised (list II) third countries and territories from which importation of fishery products in any form intended for human consumption is authorised, according to Commission Decision 2004/350/EC, amending Commission Decision 1997/296/EC, applicable from 4 June 2004

List I: countries and territories covered by a specific decision under Council Directive 91/493/EEC (harmonised countries)

AE — UNITED ARAB EMIRATES
AL — ALBANIA
AN — NETHERLANDS ANTILLES
AR — ARGENTINA
AU — AUSTRALIA
BD — BANGLADESH
BG — BULGARIA
BR — BRAZIL
BZ — BELIZE
CA — CANADA
CH — SWITZERLAND
CI — IVORY COAST
CL — CHILE
CN — CHINA
CO — COLOMBIA
CR — COSTA RICA
CS — SERBIA AND MONTENEGRO (1)
CU — CUBA
CV — CAPE VERDE
CZ — CZECH REPUBLIC
EC — ECUADOR
EE — ESTONIA
EG — EGYPT
FK — FALKLAND ISLANDS
GA — GABON
GH — GHANA
GL — GREENLAND
GM — GAMBIA
GN — GUINEA CONAKRY
GT — GUATEMALA
GY — GUYANA
HN — HONDURAS
HR — CROATIA
ID — INDONESIA
IN — INDIA
IR — IRAN
JM — JAMAICA
JP — JAPAN
KE — KENYA
KR — SOUTH KOREA
KZ — KAZAKHSTAN
LK — SRI LANKA
LT — LITHUANIA
LV — LATVIA
MA — MOROCCO
MG — MADAGASCAR

MR — MAURITANIA
MU — MAURITIUS
MV — MALDIVES
MX — MEXICO
MY — MALAYSIA
MZ — MOZAMBIQUE
NA — NAMIBIA
NC — NEW CALEDONIA
NG — NIGERIA
NI — NICARAGUA
NZ — NEW ZEALAND
OM — OMAN
PA — PANAMA
PE — PERU
PG — PAPUA NEW GUINEA
PH — PHILIPPINES
PF — FRENCH POLYNESIA
PM — ST PIERRE AND MIQUELON
PK — PAKISTAN
PL — POLAND
RO — ROMANIA
RU — RUSSIA
SC — SEYCHELLES
SG — SINGAPORE
SI — SLOVENIA
SK — SLOVAKIA
SN — SENEGAL
SR — SURINAME
TH — THAILAND
TN — TUNISIA
TR — TURKEY
TW — TAIWAN
TZ — TANZANIA
UG — UGANDA
UY — URUGUAY
VE — VENEZUELA
VN — VIETNAM
YE — YEMEN
YT — MAYOTTE
ZA — SOUTH AFRICA
ZW — ZIMBABWE

Not including Kosovo as defined by the United Nations Security Council Resolution 1244 of 10 June 1999.

List II: countries and territories meeting the terms of Article 2(2) of Council Decision 95/408/EC (provisionally harmonised countries)

AM — ARMENIA (1)
AO — ANGOLA
AG — ANTIGUA AND BARBUDA (2)
AZ — AZERBAIJAN (3)
BJ — BENIN
BS — BAHAMAS
BY — BELARUS
CG — REPUBLIC OF CONGO (4)
CM — CAMEROON
CY — CYPRUS
DZ — ALGERIA
ER — ERITREA
FJ — FIJI
GD — GRENADA
HK — HONG KONG
HU — HUNGARY (5)
IL — ISRAEL
MM — MYANMAR
MT — MALTA
SB — SOLOMON ISLANDS
SH — ST HELENA
SV — EL SALVADOR
TG — TOGO
US — UNITED STATES OF AMERICA

- (1) Authorised only for imports of live crayfish (*Astacus leptodactylus*) intended for direct human consumption.
- (2) Authorised only for imports of fresh fish.
- (3) Authorised only for imports of caviar.
- (4) Authorised only for imports of fishery products caught, frozen and packed in their final packaging at sea.
- (5) Authorised only for import of live animals intended for direct human consumption.'

B) Lists of harmonised (list I) and provisionally harmonised (list II) third countries and territories from which imports of bivalve molluscs, echinoderms, tunicates and marine gastropods in whatever form for human consumption are authorised, according to Commission Decision 2002/469/EC, amending Commission Decision 1997/20/EC, applicable from 24 June 2002

List I: third countries which have been the subject of a specific decision based on Directive 91/492/EEC (harmonised countries).

AU AUSTRALIA

CL CHILE

JM JAMAICA (only for marine gastropods)

JP JAPAN

KR SOUTH KOREA

MA MOROCCO

PE PERU

TH THAILAND

TN TUNISIA

TR TURKEY

UY URUGUAY

VN SOCIALIST REPUBLIC OF VIETNAM
List II: third countries, which may be the subject of a provisional decision, based on Decision 95/408/EC (provisionally harmonised countries).

CA CANADA

GL GREENLAND

NZ NEW ZEALAND

US UNITED STATES OF AMERICA

Source: European Union 2002 and 2004

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