THE EU MARKET FOR SEAFOOD: SITUATION AND CHARACTERISTICS

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The EU comprises 27 member countries with a total area of four million square kilometers and a population of some 500 million people. Personal there is rather high in comparison with other blocs. The EU peoples like seafood because of its taste and nutrients. Per capita demand for seafood in the bloc is about 26.3 kg per year (FAOSTAT 2005).

Because of its unfavorable geographical position and climate and limited aquatic resources, the EU has to adopt measures to limit fishing business while the demand for seafood is still on the increase. This situation forces it to import seafood from America and Asia, including Vietnam.

1. The EU import of seafood

The EU is one of the world's biggest importers of seafood with an annual import value of some EUR5.6 billion. Most of the import volume comes from member countries, but the EU also buys seafood from some 180 countries (mainly tropical ones).

The EU market for seafood could be divided into three sectors:

- Northern Europe (the U.K., Scandinavia and the Netherlands): These countries have their own sources of seafood and established fisheries and they could export seafood, especially shrimps, in large quantities. They only import shrimp to make the supply of seafood to their domestic consumers more diverse. Their volume of seafood imported from Asia is not big because of low market demand (small population, limited flows of tourists to Scandinavia, and lack of appetite for seafood). Consumers in Northern Europe prefer fish of cold water, such as codfish, Atlantic herring, mackerel, fresh water salmon and various kinds of flat fish.

- Central Europe (including Germany, Austria, Poland and Czech): These countries are not in the habit of consuming seafood because they have no, or very short, coastal lines.

- Mediterranean countries: They consume various kinds of fish, mollusk and shellfish.

The global financial crisis made the value of seafood imported by the EU fall by 5.85% in 2009 equaling EUR12.2 billion, the import volume fell by 0.6%, or some 4.045 tonnes. Spain, the Netherlands, Denmark, Italy and France are still major importers. EU import of seafood from Vietnam has recovered and increased by 6.5% in the first eight months of 2010, according to the VASEP.

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Table 1: Import of seafood by EU member countries

Importers	Import value (thousand Euros)			Import volume (tonnes)		
	2007	2008	2009	2007	2008	2009
Austria	12,626	13,578	15,335	2,979	3,378	3,641
Belgium	597,340	621,155	595,862	146,347	147,015	148,005
Bulgaria	4,299	6,026	6,146	2,553	3,934	4,037
Cyprus	11,130	7,835	7,022	3,603	1,339	1,874
Czech	43,653	42,559	42,548	17,216	15,326	15,117
Denmark	2,071,561	2,006,642	1,759,409	563,821	550,462	493,746
Estonia	50,182	55,621	47,891	20,760	22,293	20,426
Finland	27,407	27,802	24,713	21,995	25,016	22,396
France	1,157,287	1,078,388	919,671	312,454	282,094	242,423
Germany	1,357,713	1,434,600	1,385,666	540,129	567,898	2,587,960
Greece	385,077	386,252	372,929	97,374	101,465	107,798
Hungary	10,789	11,428	9,898	3,524	3,527	3,253
Ireland	325,462	268,447	281,058	109,571	101,810	134,752
Italy	477,957	481,629	418,935	136,295	132,465	122,897
Latvia	57,402	81,479	61,083	31,467	39,118	29,756
Lithuania	102,199	115,296	116,323	39,767	44,272	36,347
Luxembourg	11,964	9,975	10,239	2,045	1,689	1,756
Malta	6,502	7,068	8,104	1,593	1,627	1,614
Netherlands	2,184,275	2,124,306	1,933,452	537,984	500,223	497,819
Poland	588,062	639,854	703,923	147,454	161,910	197,977
Portugal	385,544	422,180	341,167	119,433	132,965	109,853
Romania	6,121	5,965	3,157	1,174	1,295	1,672
Slovakia	5,285	7,006	5,713	2,400	2,695	2,036
Slovenia	6,160	5,726	6,993	2,123	1,658	2,088
Spain	1,825,168	1,788,904	1,720,684	586,297	566,301	585,095
Sweden	1,087,757	1,123,513	1,128,066	322,843	342,574	361,114
United Kingdom	1,274,973	1,116,992	1,076,770	386,583	322,011	308,030
EUR27	14,076,827	13,892,238	13,003,099	4,160,746	4,076,973	6,043,585

Source: Eurostat (2010)

Of the EU member countries, the Netherlands is the first-placed importer of seafood, accounting for 14.87% of import value, followed by Denmark with 13.53%, Spain with 13.23% and Germany with 10.66%.

Fillet of fish is imported most in terms of value. The import of chilled and fresh fish, crustaceans and processed fish is on the increase, whereas the import of mollusks falls by 0.8% in 2009.

The fillet of trout and tuna is the most welcomed in the EU market, followed by the fresh fish and frozen fish; and Germany is the largest importer of fillet of fish and its importation has been on the upward trend recently. Whilst, Spain, Italy and France are importers of mollusks which

Table 2: Classification of seafood imported into the EU

Items	Import value over years (EUR1,000)				
	2005	2006	2007	2008	2009
Fresh fish	99,878	102,646	106,892	111,689	96,121
Fresh fish and chilled fish	1,995,201	2,379,731	2,344,021	2,335,115	2,511,253
Frozen fish	1,156,390	1,416,634	1,460,238	1,356,811	1,191,681
Fillet of fish	3,285,352	4,005,634	4,263,526	4,156,121	4,000,069
Smoked fish, dried fish, salted fish	801,748	839,746	927,259	854,682	689,938
Crustaceans	2,394,045	2,791,296	2,608,800	2,533,648	2,287,348
Mollusks	1,560,861	1,668,466	1,603,611	1,594,347	1,404,188
Fish oil	135,312	166,294	205,517	249,966	183,592
Processed fish	1,709,868	1,842,169	1,956,627	2,251,715	2,056,213
Processed crustaceans	752,556	786,069	870,953	954,358	957,605

Source: Eurostat (2010)

account for more than 50% of the EU import turnovers.

In 2009, the gross import value of fresh and chilled fish increased by 7.54%, equaling EUR2.511 million. Such these products are whetting the appetite of the EU member countries and are imported in quite large value of 12.9% compared with the gross value of the EU seafood. Estonia, Denmark and Germany are major importers of trout, and all three are capturing 80% of the imported trout market in the EU.

The EU imports seafood from over 180 nations of all continents and a third of its imports is from developing countries like China, India and Vietnam, which exported EUR10.4 billion worth of seafood to the EU in 2009, representing 25.8% of Vietnam's total export turnover (VASEP, 2010).

China is the largest seafood exporter to the EU, second only to Norway. In 2009, its export turnover from the EU market reached EUR1.305 million, rising by 1.9% compared with the same period last year. The fillet of fish has the largest export turnover of China, reaching EUR850 million, and is mainly exported to the EU.

India is placed in the top-10 seafood exporting partners of the EU. In 2009, its export to the EU market gained EUR470 million, rising by 2% compared with the same period last year. The

Table 3: Import of seafood from China, India and Vietnam to the EU

Years	From China		From India		From Vietnam	
	Gross value (EUR1,000)	Growth rate (%)	Gross value (EUR1,000)	Growth rate (%)	Gross value (VND million)	Growth rate (%)
2003	465,095.33	32.9	344,987.68	11.6	127	51.2
2004	584,028.30	25.6	317,907.31	-7.8	244	92
2005	872,138.84	49.3	368,749.66	16	436.73	79
2006	1,165,115.19	33.6	470,198.00	27.5	723.51	65.7
2007	1,233,069.86	5.8	491,978.20	4.6	908.04	25.5
2008	1,280,524.11	3.8	460,773.31	-6.3	1,144.46	26
2009	1,305,000.00	1.9	469,764.32	2	1,096,32	-4.2

Source: Eurostat (2010) & VASEP (2010) turnover from exporting crustaceans and mollusks which have the largest export ratio in Indian industry of seafood, gained EUR253 million, increasing by 9.3% compared with the same period last year.

For Vietnam, the EU member countries, i.e. Germany, Italia, Spain, the Netherlands and Belgium, are still large importers of Vietnam's seafood. In the first eight months of 2010, Vietnam's export of seafood earned more than US$3 billion, 24% of which came from the EU, equaling US$720 million.

Spain is the EU's biggest seafood market. The Spanish are among the highest per capita seafood consumers, around 44kg per annum. It mainly imports frozen shrimp (over 31,000 tons per year), fresh fish, frozen fish, mollusks, smoked fish and processed fish. Besides, Spain is among countries holding the largest number of fishing vessels in the world, and a traditional fishing experience. Annually, around 250,000 tonnes of seafood is traded in the market and a half of them is for exportation. Its exports to the EU market are mainly tuna, herring and mollusks. Besides for domestic consumption, Spain has been executing lots of seafood-investing projects in Africa and the South America. It imports seafood in large quantities from China, Argentina, Colombia, India, Thailand, and Malaysia, etc.

France is the great importer of seafood within the EU. Besides favorite products as trout and codfish, the French are also changing their appetite with tuna and crustaceans. On average, a Frenchman consumes 24kg of seafood per annum in comparison with the European average of 21kg per year, making up 7% of the EU's gross import value and 4% in volume.

Located in the heart of the West Europe, Germany shares the border with six member countries of the EU and EFTA. Being a large importer of seafood, fourth to the Netherlands, Denmark and Spain respectively, the seafood processing industry is attended to and developed by the German government, even though the per capita consumption of seafood is not high. The annual volume of shrimps, which is imported into German by 150 companies and is traded in seven big chains of supermarkets, around 1000 restaurants and 10,000 retailing stores, meets the two thirds of the domestic demand. The imported shrimps are very diverse and come from 80 countries around the world. The import of frozen warm-water shrimps, i.e. frozen peeled and deveined shrimps will keep on going up because more and more German households buy seafood and shrimps for their meals.

The UK is bestowed with favorable conditions for seafood fishery, which accounts for a fifth of the EU. However, it also imports seafood, mainly fish of any kind, to satisfy the domestic consumption. The import of shrimps is just for Asians in the UK.

Italy is also a large importer of seafood in the EU. Its gross volume of seafood is just some 0.6 million tonnes per year. However, with the population of more than 57 million people and tens of millions of tourists each year, the annual import of seafood may reach 0.9 to a million tonnes and it still keeps unchanged over the past few years. Products mainly imported by Italy are canned tuna, frozen cuttlefish and shrimp and fillet of fish.

2. Characteristics of the EU's seafood market

The EU promulgates provisions concerning the quality and food hygiene and safety which must be observed in the European continent; and stipulations by France and Italy are even more stringent than those of the EU. Thus, the seafood observing provisions by the EU may not be imported to these two countries. The EU stipulates that seafood imported from those which are not a member of the EU must be processed, packaged and reserved in the EU-licensed organizations.

In 2006, the EU promulgated a new law concerning the import of seafood which incorporates the EU-standardized stipulations and policies. It is not to hinder the import of seafood to the EU or do a favor to a country but protect consumers from dishonest business or products more effectively. The new law consists of the clause 178/2002 as the main one and the clauses 852/2004, 853/2004, 882/2004 and 854/2004 as supplementary ones. It offers seafood exporting countries new opportunities because principally, if a product may satisfy common standards of the EC, it may enter any member countries of the EU, instead of adjusting to meet provisions of each market.

In order to enter the EU market, it is a must to jump over the technical barrier which is to shield the domestic production and consumption when the EU is reducing its tariff. This barrier includes requirements specified in five criteria, i.e. quality, food hygiene, consumer's safety, environmental friendliness and labor standards.

- The good quality product is a key for a successful access to the EU market. The EU stipulates that seafood imported from those which are not a member of the EU must be processed, packaged and reserved in the EU-licensed organizations; and the ISO9000 is also a requirement. Those with the ISO9000 certificate will enter the EU market more easily than those without.

- Food processors must strictly observe provisions on food hygiene and safety. The application of HACCP (Hazard Analysis Critical Control Point) is very significant and deemed as an obligatory requirement for processors in developing countries who like to enter the EU. Provisions on the storage temperature during the shipment of seafood and the additives used in seafood processing are promulgated by the Federal Veterinary Office.

- The consumer's benefit is highly protected in the EU market. Thus, the EU undertakes its examination with products right at the production place and has an alert system among member countries; and abrogates the inspection of products at the border gate. It has passed regulations on the safety of tradable products to protect consumers.

- For the environmental friendliness, the EU requires environment-related commodities must be labeled properly (ecological label and the recycle label) and certified internationally, for example the Good Agricultural Practice (GAP) and the Eco-label. In addition, companies must comply with the ISO14000 and social conventions code. In the future, the SA8000, which is about the social accountability, will take its place in international business.

- The fifth criterion is about the labor safety. The European committee may suspend the operation of any company that employs the forced labor, and prohibit the import of goods related to all different aspects of forced labor like children labor, forced prison labor, etc. as set forth in the Geneva Conventions dated Sept. 25, 1926 and Sept. 7, 1956, and International Labor Conventions No.29 & 105.

Recently, the EC has promulgated the Decision No.1005/2008 dated Sept. 29, 2008 and becoming effective as of Jan. 1, 2010. This Decision is to prevent and abrogate the illegal unreported and unregulated fishing (IUU); and has a profound effect on some countries exporting seafood to the EU, including Vietnam.

The EU also presents a referential but not obligatory price list for several of selected seafood to facilitate the consumer price awareness. This referential price is applied to protect the EU market when necessary and European countries will render the import value on the basis of referential price to the EU. In the event that a large volume of seafood continues to be imported below the referential price, the EU will adjust it to be equal to the lowest import value.

3. Prospects

The 2008 global economic crisis had certain impacts on the EU's economic growth, encroaching unfavorably the import of seafood. It is foreseen that, in the time to come, the EU's import of seafood may be hindered due to the fact that:

- ***Firstly***, the economic health of its member countries has not got better; the income and consumption is hard to be improved.

- ***Secondly***, the EURO is depreciated against the USD and JPY, causing an appreciation in imported products and a decline in the import of seafood.

- ***Thirdly***, in the agricultural and marine products market, the depreciation of the EURO will boost the export of agricultural and marine products, causing a worldwide depreciation in such the products market.

Vietnam is the first country in the Southeast Asia participated in the electronic information network which manages the import and export of seafood to the Europe market. Thus, besides inspecting the modern information system of the EC, researching the EU market will enable Vietnam to find out opportunity to develop in this profitable market■

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