



Market Opportunities and Impediments for Australian Seafood to Europe

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Seafood Industry Australia
The Voice of Australian Seafood



Table of Contents

Executive Summary	03
The Australian Market Snapshot	04
Export Trade Flows	08
Import Trade Flows	10

The EU-27 Market Snapshot	12
The EU27 Consumer Outlook	13
Market Snapshot	14
EU Fisheries Industry Performance	17
Fish & Seafood Trends in the EU	20
Impact of COVID-19 on EU Fisheries	22
Export & Import Flows	23

Australia-EU-27 Two-Way Trade	27
Two-Way Trade	28
Australian Exports and Imports	29
Market Access into the EU	33

The EU Market Opportunities & Challenges	35
Market Opportunities	36
Market Challenges	38

Executive Summary

The consumption of seafood has risen to more than double in the last five decades, with an average person consuming over 20 kilograms per annum. As such, the market potential of the fishing industry has also consequently been on the rise.

With the onset of the pandemic, the supply and logistical chain may have taken a beating, but nevertheless, the fishing industry is expected to recover strongly. The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) expects Australia's fisheries and aquaculture GVP to recover substantially in 2021-2022, reaching \$3.55 billion at a 10.4% growth rate.

Australia Market and Trade

Australia's fishing industry has constantly maintained an almost impeccable reputation as a producer of premium quality seafood. Covering over 8.9 million km², the Australian Fishing Zone has allowed the Australian fishing and aquaculture industry to export approximately US\$912.14 million worth of fresh, chilled, and frozen fish and seafood products. This was up by 4%, compared to figures from 2020. Crustaceans and Mollusc exports to Asian countries form a dominant part of Australia's total fish and seafood-related exports.

In terms of exports, Australia may be a global leader in certain fish and seafood species, such as the Australian Rock Lobster, but is a minority player globally, with total fisheries production resulting in only 0.16% of global production. This may be mainly ascribed to the focus on managing stocks so that they remain sustainable in the longer term.

However, with Australia's domestic seafood consumption increasing from 240,150 tonnes (1999-2000) to 334,615 tonnes (2019-2020), imports of fish and seafood have also risen from 139,000 tonnes to over 205,000 tonnes.

EU Market and Trade

When combining the 27 EU member states, the overall marine area exceeds 17,700,000 km², dominated by France which accounts for over 55% of this total.

According to the FAO, production volume has seen a decreasing trend following a peak in 1988, with an average annual growth of -2.1%. While capture production has consistently risen since the 1970s, it remains comparatively low at 78% of total production.

Key producing countries in the EU include Spain, Denmark, France, The Netherlands and Italy, with the Netherlands, Germany and Belgium acting as major seafood trade hubs.

Despite a slump in production, the per capita consumption of fish and seafood has witnessed a sharp increase since the 1990s, with member countries such as Portugal, Spain, France and Finland topping consumption at over 33kg of fish consumed per capita.

Key Findings and Areas of Focus

As the world's second-largest fish and seafood market, the EU represents opportunities for seafood exports for ready-to-use retail products, additional processing and re-export. With a developed and affluent consumer base, demand is particularly high for products such as Atlantic salmon and imported shellfish. However, competition from other key producers is strong. Exporters can maximise value by exporting to port cities in the Netherlands, Germany and Belgium, which can act as re-export hubs to enhance market penetration across Europe.

The potential for a new free trade agreement would significantly reduce export barriers and costs for Australian exporters, especially given tariffs currently fall between 10-25% which result in reducing Australia's competitiveness in the market. Stringent regulatory requirements and a lack of retail channels for seafood are also expected to form key barriers to access, while exporters are encouraged to strengthen their sustainability credentials to enhance their marketability.

Two-Way Trade

Australia and the EU are currently in the process of negotiating a free trade agreement to build on an already strong bilateral relationship. Australia is not currently a major contributor to the EU's fish and seafood import market with exports worth US\$25.17 million in 2021, comprising just 0.06% of the EU27's total fish and seafood imports. Current categories of focus include frozen fish fillets and rock lobster.

The Australian Market Snapshot



The Australian Market Snapshot



Australia maintains an international reputation as a producer of high-quality, safe, and sustainable fish and seafood, thereby allowing producers to sell at a premium across international markets.

Australia has the world's third-largest Exclusive Economic Zone (EEZ)- the Australia Fishing Zone. The Australian Fishing Zone covers an area of over 8.9 million km², significantly larger than the area of mainland Australia, and extends some 200 nautical miles out from the Australian coast.

This zone contains some 3,700 known species of fish, over 2,800 species of mollusc and over 2,300 species of crustaceans.¹

Despite having access to one of the largest fishing zones in the world, Australia is a minor producer of fisheries products globally, with total fisheries production accounting for only 0.16% of global production. Australia's aquaculture production represented a mere 0.12% of global production as of 2020.²

Australia's relatively low production can be attributed to the low biological productivity of the Australian marine environment and the management of fisheries to ensure the availability of sustainable seafood over the longer term.

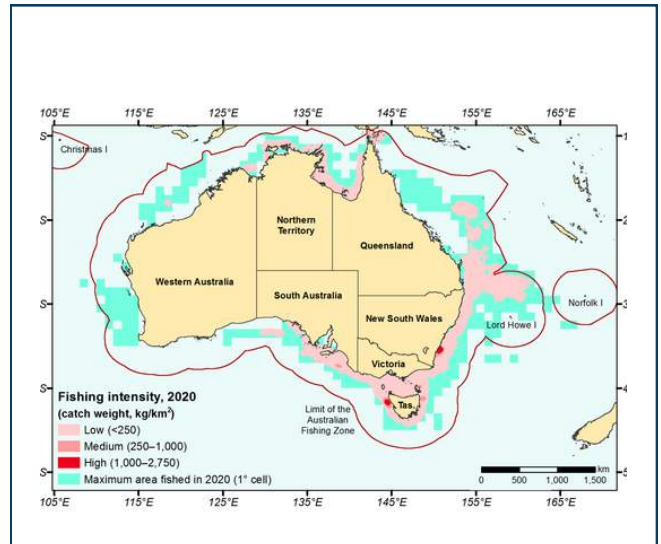
Commonwealth fisheries continue to share fish stocks with the states and the Northern Territory, while catches are managed cooperatively to assure sustainability.³

The Australian Department of Agriculture, Fisheries and Forestry's (DAFF) 2021 Fishery status report found that 77% of fisheries stocks were not subject to overfishing, 19% were classified as uncertain with regard to fishing mortality, and 4 were found to be overfishing.⁴

Based on these findings, the Australian Fisheries Management Authority (AFMA) has maintained its management practices of reducing fish mortality and keeping fish stocks above the minimal reference points of biological endangerment.

Australia's seafood consumption rose from 240,150 tonnes in 1999-2000 to 334,615 tonnes in 2019-2020. Imported fish and seafood fill the gap between Australian seafood consumption and local availability. Imports of seafood into the Australian market climbed from 139,000 tonnes to over 205,000 tonnes, with imports accounting for 58% to 62% of consumption.

In 2019-20, per-person fish consumption was 25.87kg, ahead of the global average which stands at 22.3kg according to FAO.⁵



Source: ABARES Fishery Status Report (2021)

Over the past 20 years, Australia's aquaculture industry has grown in actual value and relative share of fisheries and aquaculture gross value of production (GVP being the value of production at the point of sale) exponentially.

While in 2016-2017, aquaculture production accounted for 44% of the total Australian fisheries and aquaculture GVP, ABARES predicts this will grow beyond 60% in 2026-2027.

This growth is due to an increase in salmonid production and a declining trend in wild-caught production. ABARES predicts a future concentration on prawns, abalone, oysters, and finfish like barramundi and kingfish.⁶

ABARES also predicts that Australia's fisheries and aquaculture GVP will recover substantially in 2021-2022, topping \$3.55 billion at a 10.4% growth rate - the highest level since 2002-03.

Gross value predictions within the industry between 2022 - 2023 and 2026 - 2027 are likely to transcend a 3.1% year-on-year pace, reaching \$3.97 billion, while real value of production is projected to expand by a modest rate of 0.4% year-on-year to surpass \$3.48 billion by 2026 - 2027.⁶

1. Department of Agriculture, Fisheries and Forestry. 2022. Domestic Fisheries. Accessed 26 April 2022. <<https://www.agriculture.gov.au/agriculture-land/fisheries/domestic>>

2. Food and Agriculture Organization of the United Nations (FAO). The State of World Fisheries and Aquaculture 2022. Accessed 26 April 2022. <<https://www.fao.org/3/cc0461en/cc0461en.pdf>>

3. Mobsby, D & Curtotti, R. 2018, Snapshot of Australia's commercial fisheries and aquaculture industries, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra. CC BY 4.0. Viewed 26 April 2022, <<https://www.awe.gov.au/abares/products/insights/snapshot-of-australias-commercial-fisheries-and-aquaculture>>

4. Patterson, H, Bromhead, D, Galeano, D, Larcombe, J, Woodhams, J and Curtotti, R. 2021, Fishery status reports 2021, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra. CC BY 4.0. Viewed 25 April 2022, <https://daff.ent.sirsidynix.net.au/client/en_AU/search/as-set/1032581/0>

5. Food and Agriculture Organization of the United Nations. FAOSTAT Statistical Database 2022. Accessed 26 April 2022, <<https://www.fao.org/faostat/en/#data/FBS>>

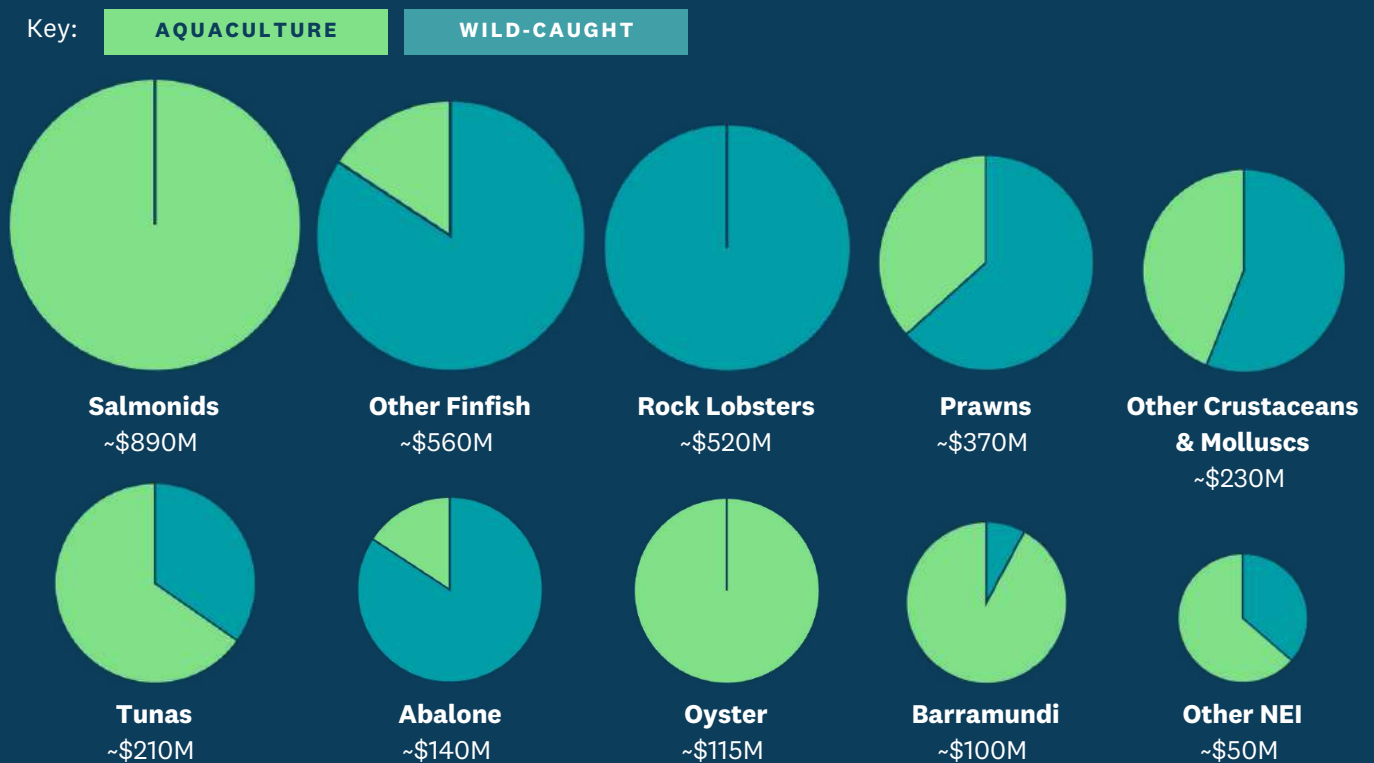
6. Mobsby, D, Steven, AH, Curtotti, R & Dylewski, M. 2022, Australian fisheries and aquaculture: Outlook to 2026-27, ABARES research report, Canberra. CC BY 4.0. Viewed 26 April 2022, <https://daff.ent.sirsidynix.net.au/client/en_AU/search/as-set/1033321/0>



Key Seafood Species

The Australian fishing sector includes wild capture fisheries and coastal aquaculture enterprises, with regionality supporting output value. While Australian fisheries produce a wide range of products, the gross value of production (GVP) is primarily accounted from the wild-catch sector and is largely concentrated in three key species - salmonids, rock lobster, and prawns. These species account for 57% of the GVP of the Australian fisheries and aquaculture industry in 2019 - 20.⁷

Figure 2. Major Species Groups Produced in Australia: 2019 - 20 Projections⁷



Source: ABARES Australia Fisheries and Aquaculture Statistics (2021)

7. Steven, AH, Dylewski, M and Curtotti, R. 2021, Australian fisheries and aquaculture statistics 2020, Fisheries Research and Development Corporation, ABARES, Canberra, August. CC BY 4.0. Viewed 27 April 2022, <https://daff.ent.sirsidynix.net.au/client/en_AU/search/asset/1032481/0>

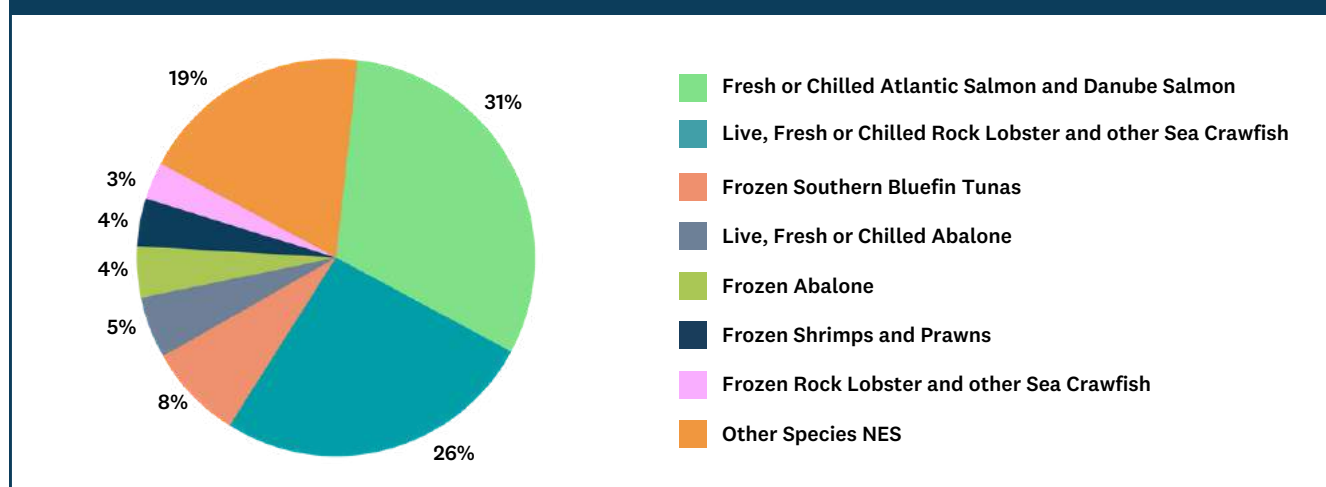


Export Trade Flows

International trade has been a significant contributor to Australia’s fisheries and aquaculture industry, with Australia exporting approximately half of its annual fisheries and aquaculture production by value. According to International Trade Centre (ITC) calculations based on Australian Bureau of Statistics (ABS) figures for 2021, Australia exported approximately US\$912.14 million worth of fresh, chilled, and frozen fish and seafood products, growing by 4% from 2020. Much of this growth is the result of exporters recovering from market disturbances, such as COVID-19, and trade distribution with China, who account for over 25% of seafood exports as of 2021.⁸

Australia’s seafood export value is dominated by high unit value products, largely led by crustacean and mollusc exports to the Asian market;. As of 2021, the top five seafood products accounted for over 70% of Australian fish and seafood exports in 2021 as highlighted in figure 3.⁸

Figure 3. Australian Fish and Seafood Exports by Species: 2021



Source: ITC Trademap (2022)

Export Trade Flows

Australia is a leading global exporter of several key fish and seafood species as of 2021. Australian Rock lobsters (live, fresh or chilled) in particular, in export value represented over 32% of world exports in 2021 at US\$239.75 million - ranking 1st globally.⁸

Australia is also the global leading exporter of Southern bluefin tuna, representing 74% of frozen and 52% of fresh or chilled variants at US\$67.54 million and 7.55 million respectively - ranking 1st globally.⁸

The other notable export out of Australia is Abalone, with a combined exported value of US\$103.97 million across live, fresh, chilled, smoked, dried, salted or in brine, abalone as of 2021.⁸

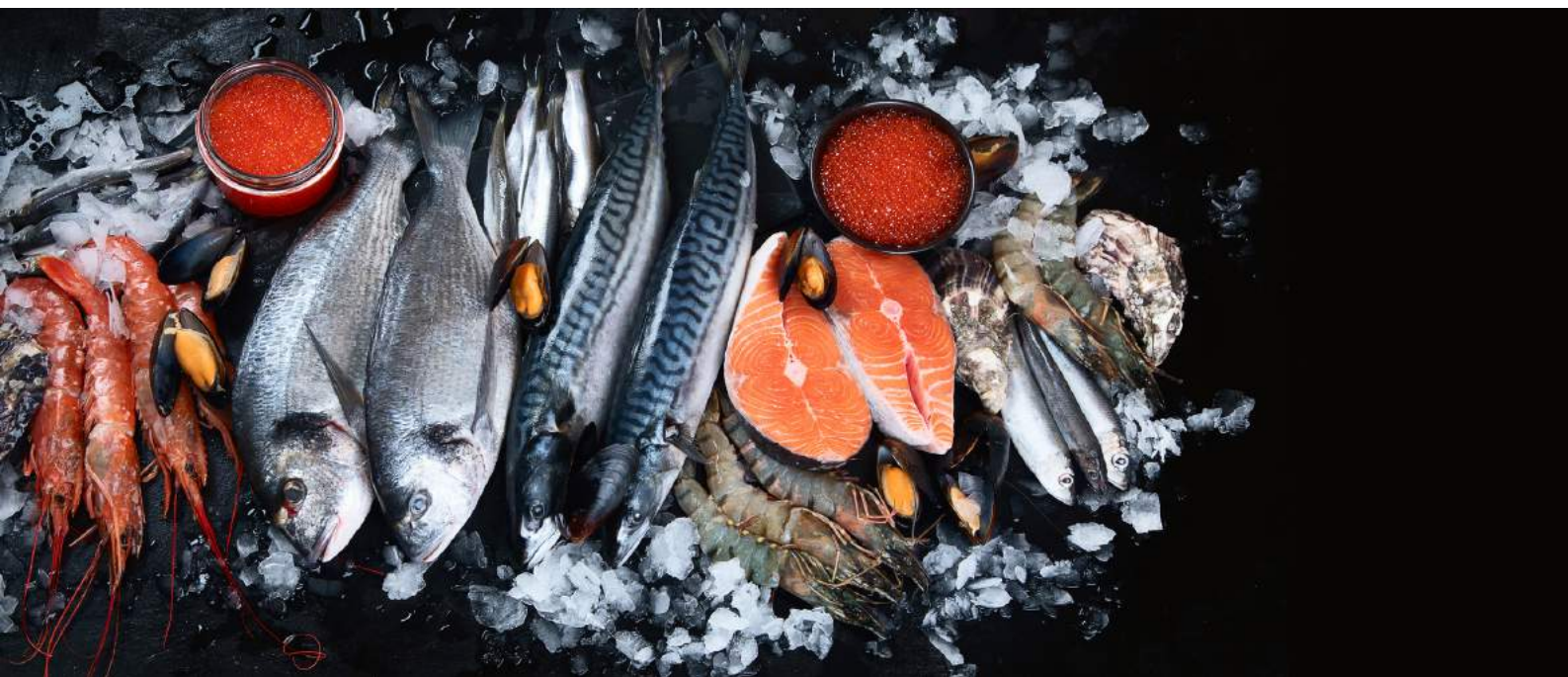
Market diversification continues to be an active topic of discussion within the Australian fisheries and aquaculture industry.

As of 2021, the leading export destinations for Australia were China (US\$231.60 million), Hong Kong (US\$214.81 million), Japan (US\$114.55 million), the United States (US\$73.84 million), and Vietnam (US\$68.87 million). Combined, these destinations made up over 75% of fishery exports.⁸

Consolidating key export markets in combination with market diversification is key to the future growth prospects of Australian fish and seafood exporters, helping to mitigate export earnings volatility and reduce vulnerability to external shocks, thereby ultimately providing suppliers with a more resilient supply chain which in turn will stabilise export revenues.

Figure 4. Key Australian Exports - Live, Fresh, Chilled, or Frozen Fish and Seafood: 2021

HS Code	Species	Value Exported in 2021 (USD Thousand)	Percentage of World Exports for Specific HS Code
'030631	Rock Lobsters, Live, Fresh or Chilled	239,748	32.2%
'030346	Frozen Southern Bluefin Tunas	67,535	74.3%
'030781	Live, Fresh or Chilled Abalone	48,338	27.6%
'030783	Frozen Abalone	38,477	57.9%
'030787	Smoked, Dried, Salted or in Brine, Abalone	17,150	21.4%
'030236	Fresh or Chilled Southern Bluefin Tunas	7,550	51.8%
'030485	Frozen Fillets of Toothfish	5,049	18.4%
'030291	Fresh or Chilled Fish Livers, Roes and Milt	3,294	10.6%

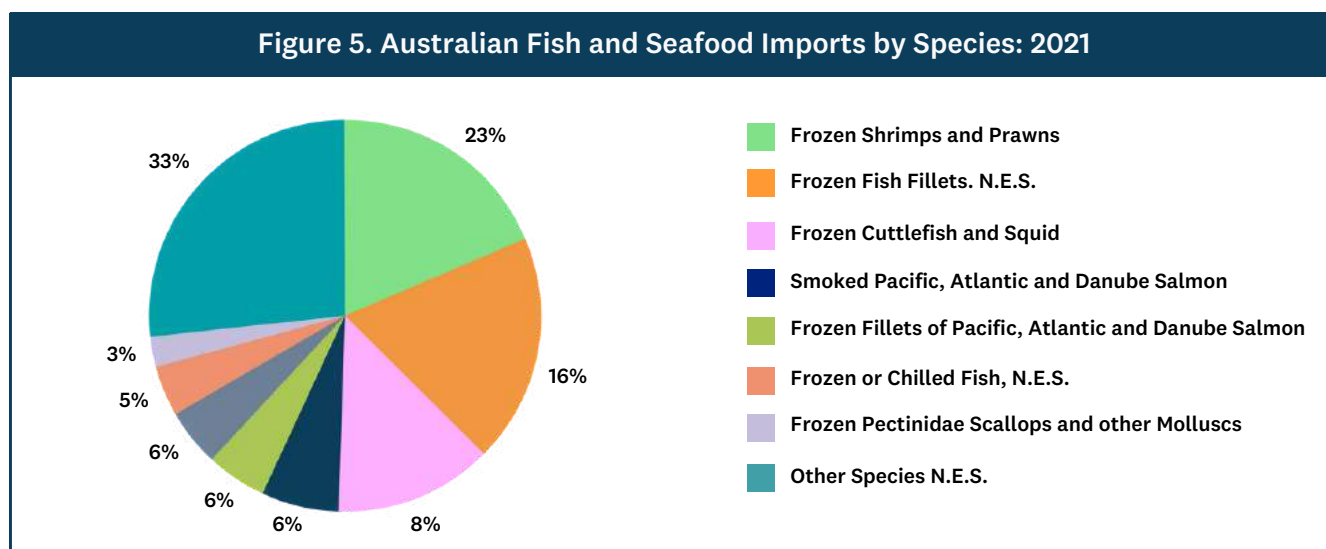


Import Trade Flows

Australia is a net exporter of seafood in value terms, accruing a positive trade balance of US\$98.36 million in 2021. Despite this, Australia remains a significant importer of fish and seafood products. According to ITC calculations based on ABS figures for 2021, Australia imported approximately US\$813.78 million worth of fish and seafood, rising by 16% between 2020 - 2021, and equal to 89% of the value of exports in 2021 across live, fresh, chilled, and frozen fish and seafood.⁸

Australia's fish and seafood imports are led by five key species which represent approximately 60% of total imports. As of 2021, these include shrimps and prawns, frozen fish fillets, frozen cuttlefish and squid, and more as outlined in Figure 5.

Figure 5. Australian Fish and Seafood Imports by Species: 2021



Source: ITC Trademap (2022)

Figure 6. Key Australian Imports - Live, Fresh, Chilled, or Frozen Fish and Seafood: 2021

HS Code	Species	Value Imported in 2021 (USD Thousand)	Percentage of World Imports
'030617	Frozen Shrimps and Prawns	187,369	0.9%
'030489	Frozen Fish Fillets	127,706	5.8%
'030743	Frozen Cuttle Fish and Squid	68,526	1.2%
'030541	Smoked Pacific, Atlantic and Danube Salmon	49,652	2.5%
'030481	Frozen Fillets of Pacific, Atlantic and Danube Salmon	47,203	1.3%

The leading import sources for Australia in 2021 were Vietnam (US\$184.46 million), New Zealand (US\$134.27 million), China (US\$17.42 million), Norway (US\$50.07 million), and Indonesia (US\$48.73 million). Combined, these markets made up approximately 65% of fish and seafood products imported.⁸

It is equally important to note that Australia is the 15th largest importer of prepared and preserved fish and crustaceans globally, having imported US\$415.69 million worth of prepared/preserved fish, and US\$185.38 million worth of prepared/preserved crustaceans and molluscs in 2021.⁸

Australia imports over US\$192.45 million worth of prepared tuna alone, and over US\$70 million worth of prepared shrimp as of 2021 from Thailand (US\$222.27 million), Vietnam (US\$85.57 million), China (US\$84.57 million, Indonesia (US\$41.99 million), and Malaysia (US\$27.98 million).⁸

Figure 7. Key Australian Imports - Prepared or Preserved Fish and Seafood: 2021

HS Code	Species	Value Imported in 2021 (USD Thousand)	Percentage of World Imports
'160414	Prepared or Preserved Tuna, Skipjack and Atlantic Bonito	192,454	2.5%
'160521	Prepared or Preserved Shrimp and Prawn (not in airtight containers)	75,655	1.8%
'160419	Prepared or Preserved Fish, Whole or in Pieces	67,042	2.7%
'160420	Prepared or Preserved Fish (Excl. Whole or in Pieces)	60,837	2.5%
'160250	Prepared or Preserved Shrimp and Prawn (in airtight containers)	47,203	1.3%

8. International Trade Centre (ITC Trademap) 2022. ITC Trade Map. Accessed 28 April 2022. <<https://www.trademap.org/Index.aspx>>

THE EU-27 Market Snapshot



The EU27 Consumer Outlook



TOTAL POPULATION

447.0 Million

EXPATRIATE POPULATION

23.7 Million

URBAN POPULATION

75%



POPULATION ETHNICITY

Russia: 146.2 Million

Turkey: 83.61 Million

Germany: 83.17 Million

France: 67.29 Million



DOMINANT RELIGIOUS GROUPS

Catholicism: 44.5%

Eastern Orthodox: 10.2%

Protestant: 9.9%

Other Christian: 5.0%

Others (incl. Atheism): 30.4%

After already making a strong recovery in 2021, the EU economy is set to expand further throughout 2022 and the forecast period, with growth forecasted at 4.0% in 2022 and 2.8% in 2023⁹.

The number of single-person households is increasing rapidly across both Eastern and Western Europe, especially in Germany, Norway and Sweden. This had led to increasing demands for convenient and cost-effective goods.

Overall, consumer sentiment in Europe is rising post-COVID-19, driven by young and vaccinated consumers. Western European countries lead the way in terms of disposable income, with Germany accounting for 25.7%, France at 18.8% and Italy at 13.2% of EU total disposable income¹⁰.

The EU is also facing an ageing population. In 2021, 20.8% of the population was aged 65 and over, and this is projected to increase further. This trend is especially prominent in Italy, Germany and Portugal, where the median age is the highest¹¹.

Over the last few decades, rising disposable incomes across Europe have seen demand rise for high-quality goods; within the FMCG sector there has been notable demand for sustainable products.

Health Goods Dominate

Health-positioned goods have experienced heightened demand within Europe, which can be attributed to an increasing old-age dependency ratio and the impact of COVID-19 which saw Europeans attempt to enhance their health status. Consequently, fresh food categories including fruits and vegetables, meat, and fish and seafood have experienced heightened consumer demand. In 2022, consumers are expected to focus even more on healthy diets, a trend primarily driven by high-income groups and young generations.

Sustainability Focus

Consumers have adopted more responsible consumption patterns in recent years, seeking out quality, traceability, authenticity and transparency. In 2022, more consumers are expected to shift to sustainable grocery products, with the ten brands most bought by eco-friendly consumers experiencing sales growth up to 15 percentage points higher than market growth. Consumers are also demanding environmental food labels to ensure greater transparency.

Product Quality is Integral

High-income groups are boosting demand for higher-quality, fresher products. As disposable incomes rise, especially in Eastern Europe, this trend is projected to continue with higher-quality goods becoming the norm in the FMCG sector. While consumers shopping at entry-price levels are less willing to make trade-offs in terms of price, many entry-tier products are now being quality matched with main-price-tier products.

E-Commerce Experiences Boost

As consumers demand convenience, both in terms of products and distribution, e-commerce is expected to comprise over 20% of the grocery market by 2030.

9. European Commission 2022. Winter 2022 Economic Forecast. Accessed 23 May 2022. <https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/winter-2022-economic-forecast-growth-expected-regain-traction-after-winter-slowdown_en>

10. Eurostat 2022. Households - Statistics on Disposable Income, Saving and Investment. Accessed 23 May 2022. <https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Households_-_statistics_on_disposable_income,_saving_and_investment#General_overview>

11. Eurostat 2022. Population Structure and Ageing. Accessed 23 May 2022. <https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Population_structure_and_ageing>



The EU Market Snapshot

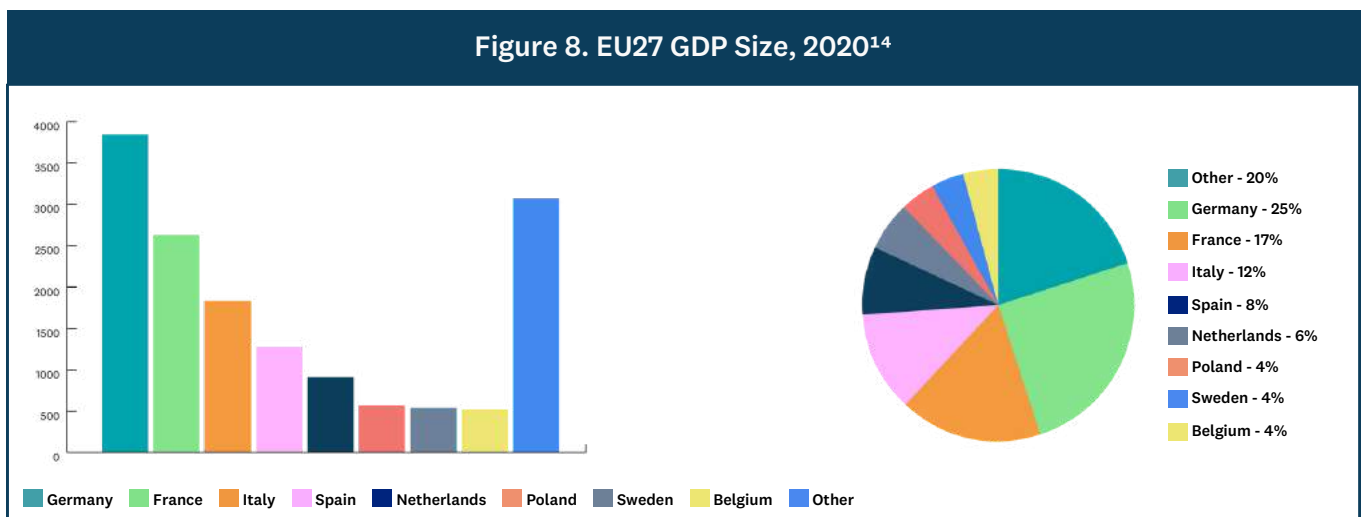
EU27 is equivalent to the second largest economy in the world as a bloc (US\$15.3 trillion in 2020), behind the United States and ahead of China. According to DFAT, EU27 is the world’s third largest merchandise importer and second largest merchandise exporter, while hosting the largest set of foreign direct investment¹².

2020 data shared by DFAT revealed the 27 members of the EU as a bloc constituted Australia’s second-largest trading partner and second-largest source of foreign investment, with two-way trade exceeding \$78.7 billion in 2019-20¹².

As of 2021, there are 27 member states in the EU, combining to represent a total population of 447.2 million, led by Germany (83.2 million), France (67.7 million), and Italy (59.2 million) according to Eurostat (2021). Economically, the three largest economies, Germany (US\$3.85 trillion), France (US\$2.63 trillion), and Italy (US\$1.89 trillion), are equivalent to approximately 55% of the total GDP of the bloc as highlighted in figure 8¹³.

The EU coastline extends beyond 66,000 km, more than three times the US and twice that of Russia. If EEA member states Iceland, Turkey, and Norway are included, this coastline extends beyond 185,000 km. The EU coastal regions border six main maritime bases - the North Sea, the Baltic Sea, the Northeast Atlantic Ocean, the Mediterranean Sea, the Black Sea, and the outermost regions. Between the 27 member states there is a total marine area (to limit of exclusive economic zone) in excess of 17,700,000 km², with France representing over 55% of this total¹⁵.

The EU’s fish and aquaculture sector are still largely dependent on small and medium-sized businesses, with 74% of active vessels deemed small-scale in 2013, and some 90% of aquaculture enterprises in the bloc deemed to employ fewer than 10 people¹⁶. The Netherlands, Germany, and Belgium all act as major European seafood trade hubs, with coasts bordering the North Sea and key port cities.



Source: World Bank, 2022

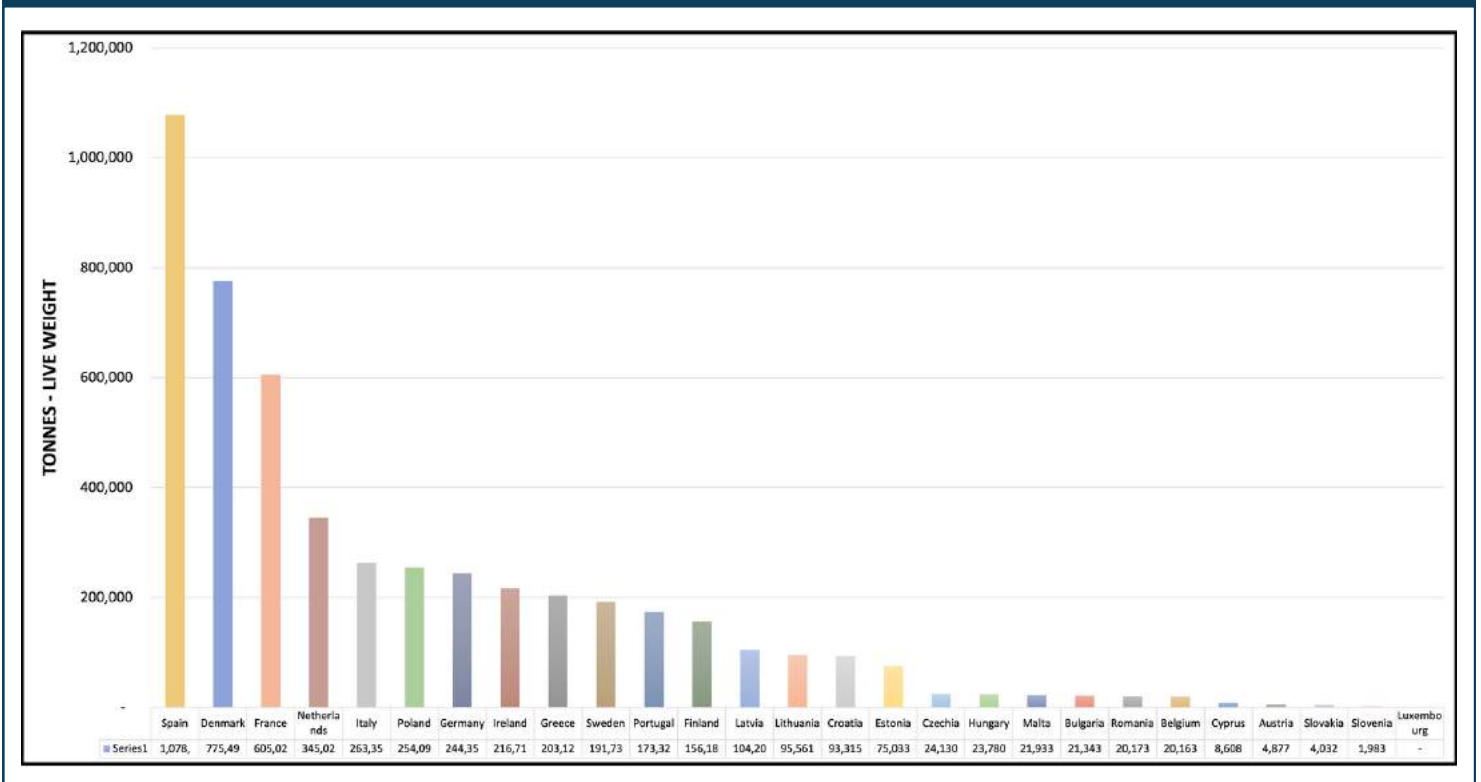


Key states by fish production

From a production perspective, the 6 leading member states in the EU27 bloc maintain a combined production volume that equals to over 65% of EU27's total volume in 2020 as highlighted in figure 9 - with Spain alone representing over 20% of total fish production volume in the bloc.

According to statistics recorded by FAO, production volume increased year-on-year in the EU member states until the late 1980's, peaking at 9,543,977 tonnes in 1988, before moving through a downward trend at an average annual rate of -2.1% as demonstrated in figure 10¹⁷.

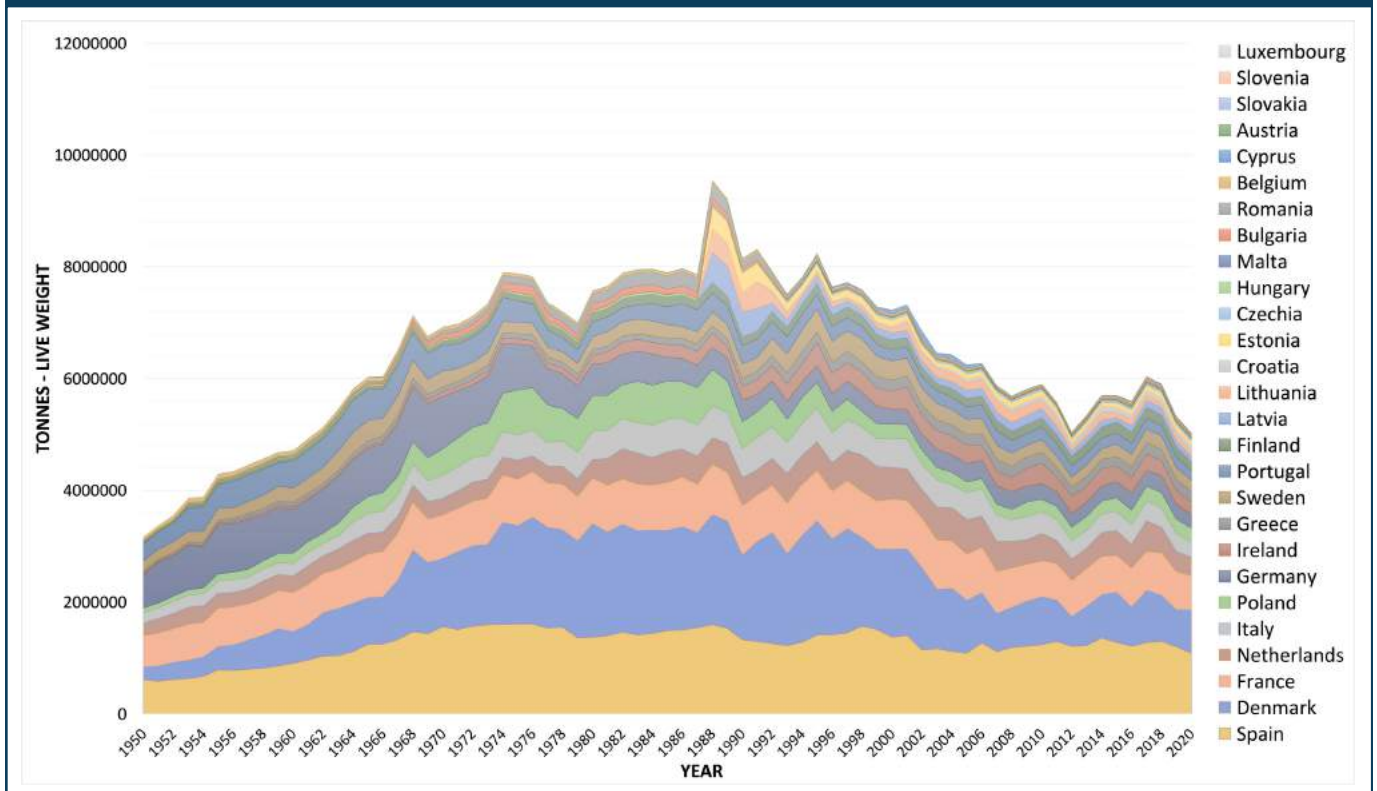
Figure 9. Production by Member State, 2020 (Tonnes)



Source: FAO Global Fishery and Aquaculture Production Statistics, 2022



Figure 10. Production by Member State, 1950- 2020 (Tonnes)



Source: FAO Global Fishery and Aquaculture Production Statistics, 2022

12. Department of Foreign Affairs and Trade (DFAT) 2022, Australia-European Union Free Trade Agreement, 24 May 2022, <<https://www.dfat.gov.au/trade/agreements/negotiations/aeufta/default>>

13. Eurostat Data Browser 2022, Population on 1 January by age and sex, 24 May 2022, <https://ec.europa.eu/eurostat/databrowser/view/DEMO_PJAN_custom_672114/bookmark/table?lang=en&bookmarkId=ed42e163-2b0d-48ec-9a88-1fa699d80c4b>

14. World Bank 2022, GDP (current US\$), 24 May 2022, <<https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>>

15. European Environmental Agency (EEA) 2020, Europe's Seas and Coasts, 24 May 2022, <<https://www.eea.europa.eu/themes/water/europes-seas-and-coasts>>

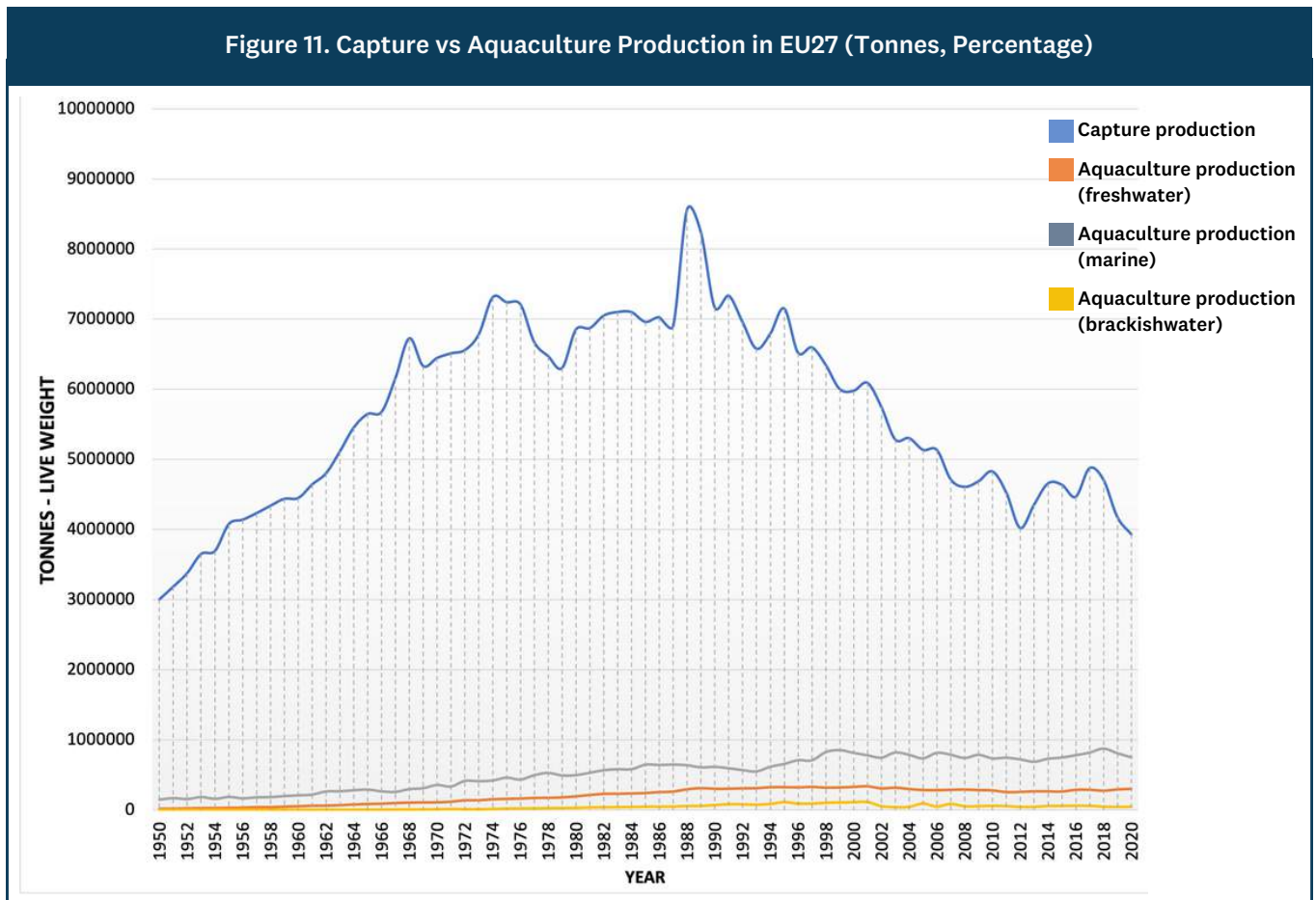
16. European Environmental Agency (EEA) 2016, Seafood in Europe: A Food System Approach for Sustainability, 24 May 2022, <<https://www.eea.europa.eu/publications/seafood-in-europe-a-food/file>>

17. FAO Fishery and Aquaculture Statistics 2022, Global Production by Production Source 1950 - 2020 (FishStatJ), 24 May 2022, <www.fao.org/fishery/statistics/software/fishstatj/en>

The EU Fisheries Industry Performance

Capture production has historically been the major production source amongst the 27 EU member states as highlighted in figure 11. Aquaculture production has been on the rise since the 1970's. However, its contribution to total production remains comparatively low. As of 2020, approximately 78% of total production was sourced through capture fisheries¹⁷.

Total per capita consumption of fish and seafood has experienced a sharp increase since the early 1990's as highlighted in figure 12, with Portugal, Spain, France, Finland, Lithuania, Sweden, Luxembourg, Malta, and Italy emerging as the largest consumers of fish in the region - each recording more than 30 kgs of fish consumed per capita. Portuguese consumers are by far the largest per capita consumers of fish at 56.84 kgs, followed by Spain with 42.47 kgs as highlighted in figure 13¹⁸.



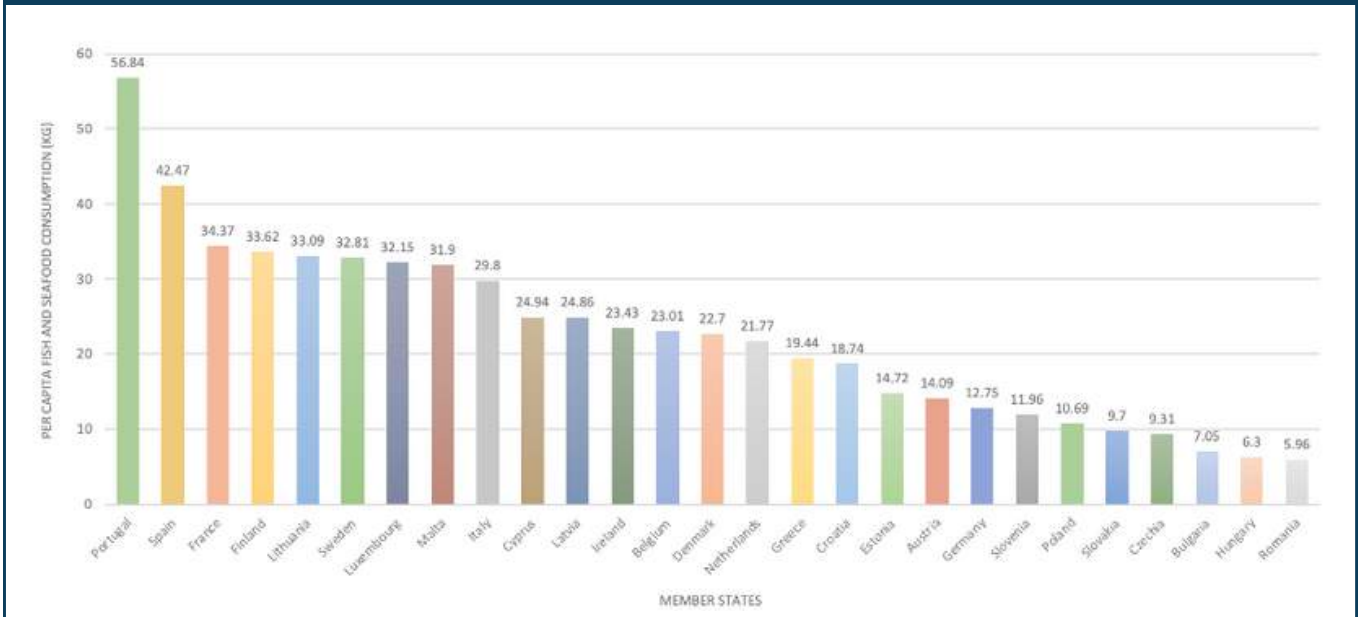
Source: FAO Food Balance Sheet, 2022

Total per capita consumption of fish and seafood has experienced a sharp increase since the early 1990's as highlighted in figure 12, with Portugal, Spain, France, Finland, Lithuania, Sweden, Luxembourg, Malta, and Italy emerging as the largest consumers of fish in the region - each recording more than 30 kgs of fish consumed per capita. Portuguese consumers are by far the largest per capita consumers of fish at 56.84 kgs, followed by Spain with 42.47 kgs as highlighted in figure 13¹⁸.

17. FAO Fishery and Aquaculture Statistics 2022, Global Production by Production Source 1950 - 2020 (FishStatJ), 24 May 2022, <www.fao.org/fishery/statistics/software/fishstatj/en>

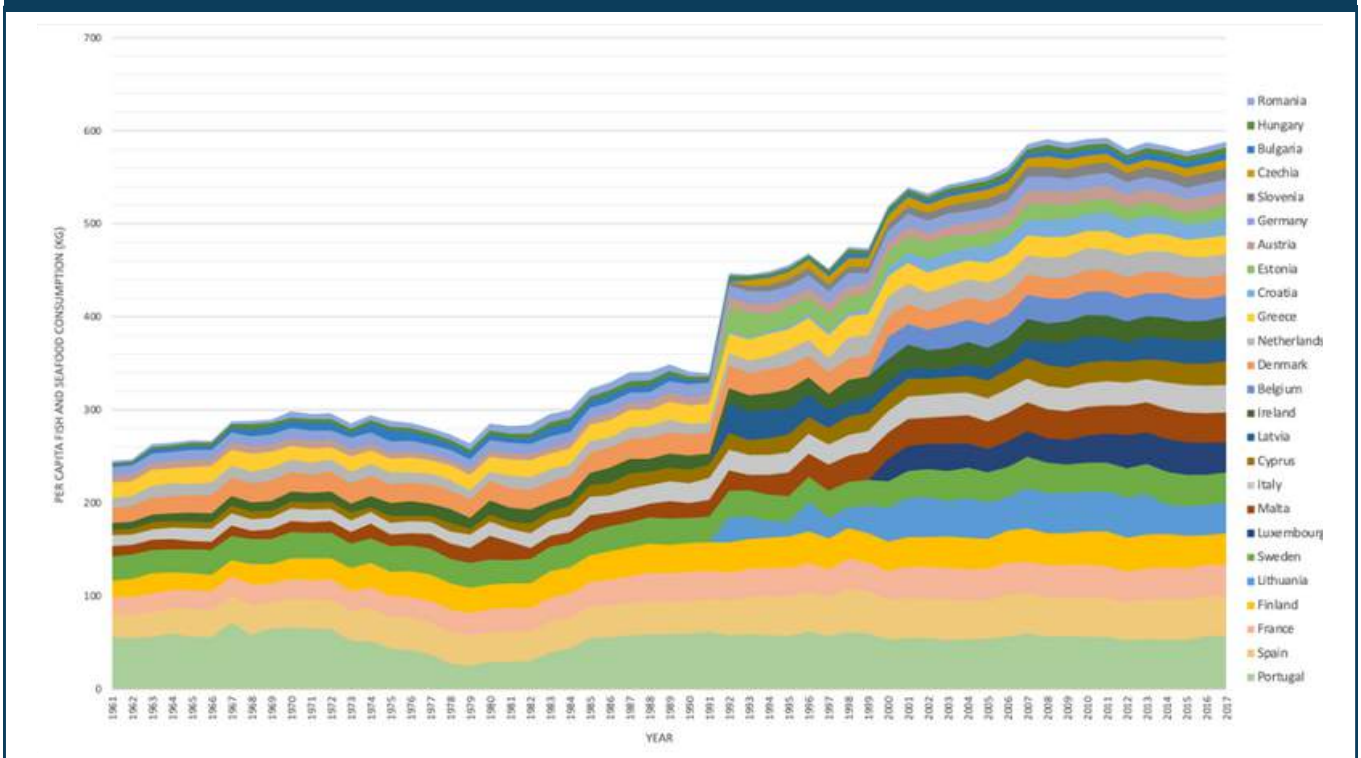
18. FAO Fishery and Aquaculture Statistics 2022, Food Balance Sheets of Fish and Fishery Products (FishStatJ), 24 May 2022, <www.fao.org/fishery/statistics/software/fishstatj/en>

Figure 12. Per Capita Fish Consumption by EU27 Member States: 2017 (Kg)



Source: FAO Food Balance Sheet, 2022

Figure 13. Per Capita Fish Consumption by EU Member States: 1961 - 2017 (Kg)



Source: FAO Food Balance Sheet, 2022

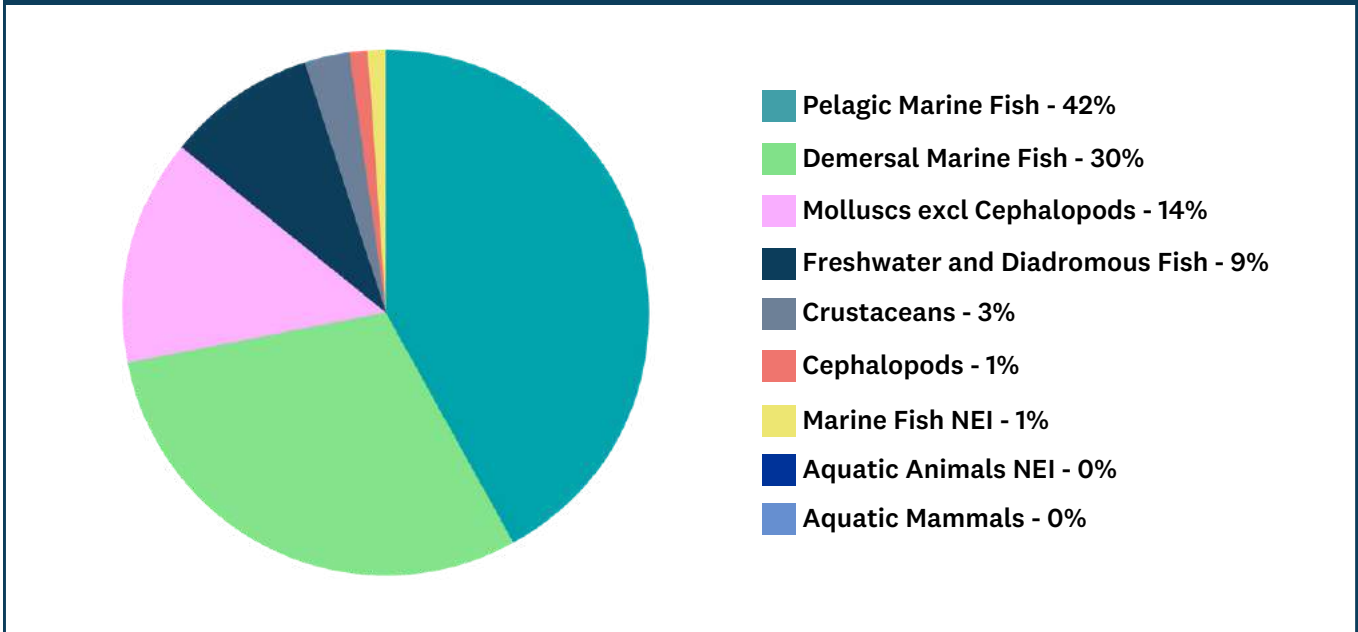
Leading Commodities

According to FAO’s Fisheries Balance Sheet (FAO, 2022), pelagic fish and demersal fish have been the major species produced amongst the EU27 nations, followed by molluscs and freshwater and diadromous fish.

The two major species make up over 70% of the total production in 2020 (respectively 42% and 30%) as highlighted in figures 14 and 15¹⁸. Crustaceans, cephalopods and marine fish also maintain a notable share of the EU-27 production volume.

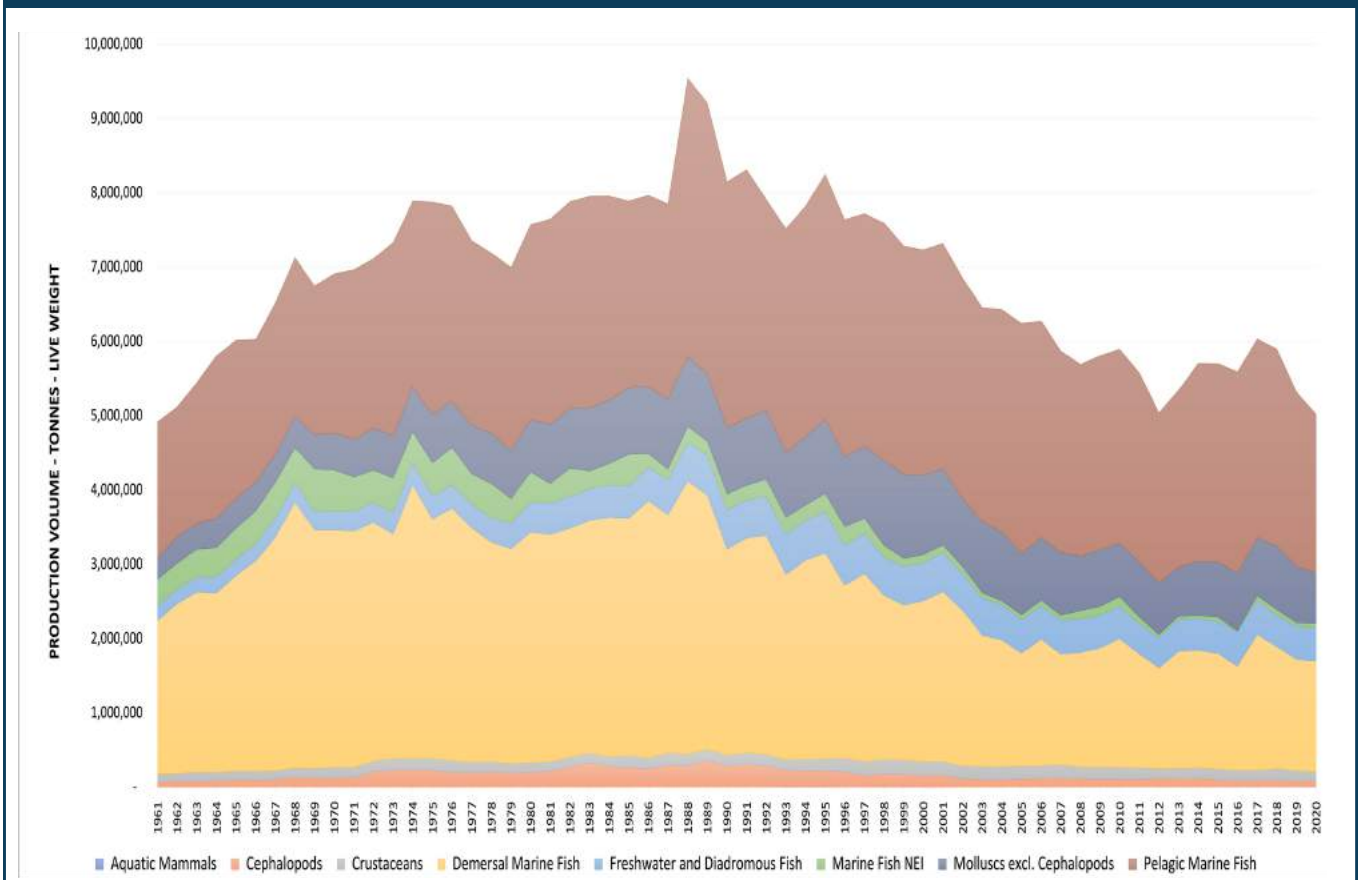
18. FAO Fishery and Aquaculture Statistics 2022, Food Balance Sheets of Fish and Fishery Products (FishStatJ), 24 May 2022, <www.fao.org/fishery/statistics/software/fishstatj/en>

Figure 14. Fish Production in the EU27 by Species in 2020 (Percentage)



Source: FAO Food Balance Sheet, 2022

Figure 15. Fish Production in the EU27 Classified by Species in 2020 (Tonnes)



Source: FAO Food Balance Sheet, 2022



Fish & Seafood Trends in the EU

Overall, Europe, after the US, is the world's second-largest seafood importer. Europe's major seafood trade hubs are the Netherlands, Germany and Belgium, with their strategic locations and port cities offering a gateway to the rest of Europe¹⁹.

Fish is generally consumed in retail while seafood is consumed in food service, with some consumers wary of preparing their own seafood products due to complex preparation. Thus, market penetration of fish is higher than other seafood in retail²⁰.

Rising price points amid COVID-19's impact are hindering consumption of seafood and fish as price sensitivity has increased, causing players to launch more economic products.

COVID-19 has seen a shift in consumer behaviour, with greater demand for stricter hygiene and quality standards, lower price points, and efficient e-commerce platforms. Convenience is also key, with sales of frozen fresh seafood products and canned seafoods, particularly tuna, sardines, and anchovies, experiencing a rise in demand.

Top performing categories

Among the most popular seafood products are salmon, herring, tuna, cod, Alaska pollock, mackerel, and shrimp, which are prepared in a variety of ways including boiling, smoking, and frying²⁰. Crustaceans, molluscs, and cephalopods are also highly popular within the EU, particularly through foodservice outlets²⁰.

Consumption by EU region

Western Europe

Portugal, Spain, Denmark, and France had the highest per capita consumption of fish and seafood in 2019, with all four countries recording consumption levels well above the EU average of 23.97 kg of live weight per capita consumption. In terms of household category expenditure, Spain, Italy and France top this measure, and can be considered Europe's biggest seafood loving-countries, and Europe's major processing nations²⁰.

The share of household expenditure on seafood compared to other meat products is much lower in Eastern than in Western Europe, with seafood making up less than 10% of consumption in most Eastern European countries compared to 15-40% in the West.

Eastern Europe

The overall per capita intake of fish and seafood in Eastern Europe is significantly lower than that in Western Europe. Eastern European nations like the Czech Republic, Slovakia, and Bulgaria are among the lowest, consuming less than 9.69 kgs in live weight per capita per year²⁰.

Consequently, household nominal expenditure on fish and seafood is also lower in Eastern Europe. However, Eastern European countries experienced stronger growth rates, with the Czech Republic, Slovakia, and Bulgaria recording 7%, 4%, and 6% growth rates respectively, from 2018 to 2019²⁰.

Health & sustainability

Both domestically sourced and imported fish and seafood are perceived as healthy and high quality, with fish like salmon being perceived as a healthy and more sustainable alternative to red meat with high levels of omega-3 fatty acids, healthy fats, protein, vitamins D, B12, and iron. COVID-19 has subsequently supported retail sales of fish, with the pandemic magnifying health concerns.

Concerns surrounding sustainable fishing have become more prominent. While the issue of overfishing has till now had little influence on consumption levels, the demand for products with sustainability labels and traceability will rise in years to come, especially as environmental protection and species conservation are becoming increasingly important for consumers. While organic fishery and aquaculture products remain a niche, they are experiencing exponential growth in this region, especially within Western Europe.

19. CBI Ministry of Foreign Affairs, 2021. What is the demand for fish and seafood on the European market, Accessed 24 May 2022, <<https://www.cbi.eu/market-information/fish-seafood/what-demand>>

20. EUMOFA, 2021. The EU Fish Market 2021 Edition. Accessed 24 May 2022, <https://www.eumofa.eu/documents/20178/477018/EN_The+EU+fish+market_2021.pdf/27a6d912-a758-6065-c973-c1146ac93d30?t=1636964632989>



Impact of Covid-19 on EU Fisheries

The growth of the seafood industry in the EU between 2019-20 is confirmed by data received on household consumption of fresh fish, which showed an increase of 7% in value and 4% in volume. The main driver behind this growth was the closure of the hospitality sector due to COVID-19 and the consequent increase in at-home consumption.

The impact of the COVID-19 pandemic is also clear from the 2020 data on out-of-home consumption of processed products, with the most significant decreases coming from the largest EU countries due to the extended closures of restaurants²¹.

Due to the decrease in imports, the EU's 2020 trade deficit was 10% (2 Billion Euros) lower than 2019. The significant decrease of high-value species (especially Cod) mainly destined for the foodservice sector caused values to decrease more than volume. In fact, volume actually increased very slightly in 2019 with the distribution of more commonly consumed fish²¹.

Lockdown measures taken by EU governments heavily disrupted employment and supply chains across the seafood sector. Impacts include:

- Reduced fishing activities have been heavily impacted by COVID restrictions with social distancing rules proving to be difficult on sea crafts as well as having to significantly reduce the number of staff onboard
- Limited labour for seafood businesses that depend on migrant workers to fill positions with the closure of borders
- The closure of the foodservice sector caused an “artificial squeezing demand” which put a pause on the activity of many fishing businesses due to their production plants becoming unprofitable to run with low demand
- Fishing businesses suffering from low sales and high costs were forced to make significant cuts to their labour force, resulting in job instability

Decreases in seafood production often occurred in parallel with surges in COVID-19 cases. According to European Market Observatory for Fisheries and Aquaculture (EUMOFA), the seafood industry's initial reaction to COVID-19 was chaotic, as all businesses were forced to cease operations in conjunction with the sudden closures of HoReCa channels and open markets as well as reduced airfreight capability for exports.

Small-scale fisheries suffered the most due to limited stock capacity and lack of preservation methods (fridges, freezing etc).

The declining seafood trade is reflective of large-scale disruptions in the supply chain²¹. Rising trade costs (transport, logistics, and supply chain disruptions) and additional border and COVID-19 containment measures affected international trade. Restrictions on market access, delays due to health inspections, and a drop in demand for fish led to longer storage times - this caused lower-quality products and food waste. The cancellation of international flights also affected trade in high-value, air-transported seafood²¹. Despite falling demand, airfreight costs rose. When airfreight options were unavailable, cargo ships were used as an alternative. This change increased congestion at major ports and resulted in spoilage of shipments.

Like most industries, fisheries and aquaculture has suffered from disruption caused by an uncertain demand outlook. As quarantine measures brought foodservice/out-of-home food to a halt, it caused a decrease in sales for fish wholesalers and the disappearance of outlets for many species²¹. Additionally, due to the cancellation of large seafood trade events, in some instances, transactional opportunities between major buyers and sellers who depend on these events have been interrupted, and/or otherwise lost.

Perhaps the most important factor regarding the fisheries and aquaculture is that consumer behaviour and preference have changed, and in some ways, evolved. Customer consumption of fish and seafood products is heavily reliant on the success of the foodservice sector, thus closures have proven detrimental. On the other hand, retail consumption has increased due to the increase in home consumption.

21. European Parliament “Impact of the COVID-19 pandemic on EU fisheries and aquaculture” 2021
<https://www.europarl.europa.eu/RegData/etudes/STUD/2021/690880/IPOL_STU%282021%29690880_EN.pdf>

Fresh, Chilled and Frozen - Fish and Seafood Products Export Flows

The EU27 is a major exporter of fresh and frozen fish and crustaceans, accounting for under 21% of global exports as of 2021.

According to ITC calculations based on UN COMTRADE statistics, the EU27 bloc exported US\$27.73 billion worth of fresh and frozen fish and seafood in 2021⁸.

Exports by the EU27 bloc represents 52% of Europe’s total exports of fresh, chilled and frozen seafoods and is significantly larger in value when compared to other blocs such as Brazil, Russia, India, and China (BRIC), Association of Southeast Asian Nations (ASEAN) and countries part of the North American Free Trade Agreement (NAFTA) in figure 16.

Key EU Exporters

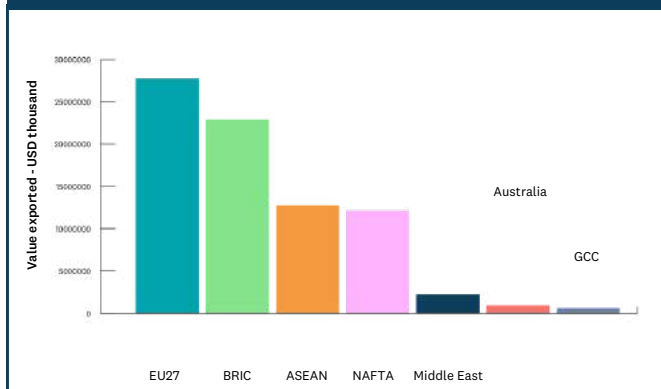
Fresh and frozen fish and crustacean exports within the EU27 bloc are led by Sweden, Spain, and the Netherlands, with each of these three markets having recorded an export value above US\$4 billion in 2021 as highlighted in figure 17⁸.

Intra-EU27 member states represent the majority of exports with minimal barriers to trade. The major export destinations from these nations are Italy (US\$3.97 billion), Germany (US\$3.31 billion), France (US\$3.06 billion), Spain (US\$2.62 billion), and Poland (US\$1.61 billion)⁸.

Key EU Exports

The five leading commodities exported by EU countries within fresh, chilled and frozen seafood categories, as of 2021 are⁸:

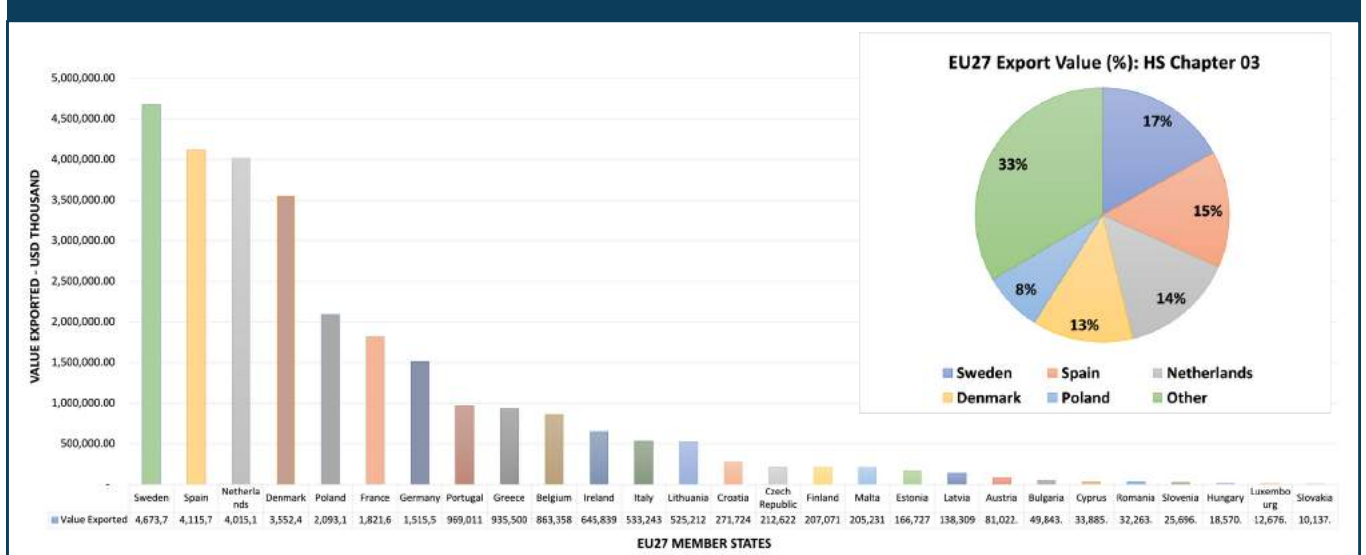
Figure 16. EU27 Fish and Seafood Exports Relative To Other Markets / Regions / Blocs - Fresh and Frozen (Fish and Crustaceans, Molluscs and Other Aquatic Invertebrates): 2021



Source: ITC Trademap (2022)

Fresh or chilled Atlantic salmon and Danube salmon	US\$4.50 billion
Smoked Pacific salmon, Atlantic salmon, and Danube salmon incl. fillets	US\$2.08 billion
Fresh or chilled fillets of Pacific salmon, Atlantic Salmon, and Danube salmon	US\$1.66 billion
Frozen shrimp and prawns, incl. smoked, whether in shell or not	US\$1.40 billion
Frozen fillets of Pacific salmon, Atlantic Salmon, and Danube salmon	US\$1.13 billion

Figure 17. EU27 Exports - Fresh and Frozen (Fish and Crustaceans, Molluscs and Other Aquatic Invertebrates): 2021

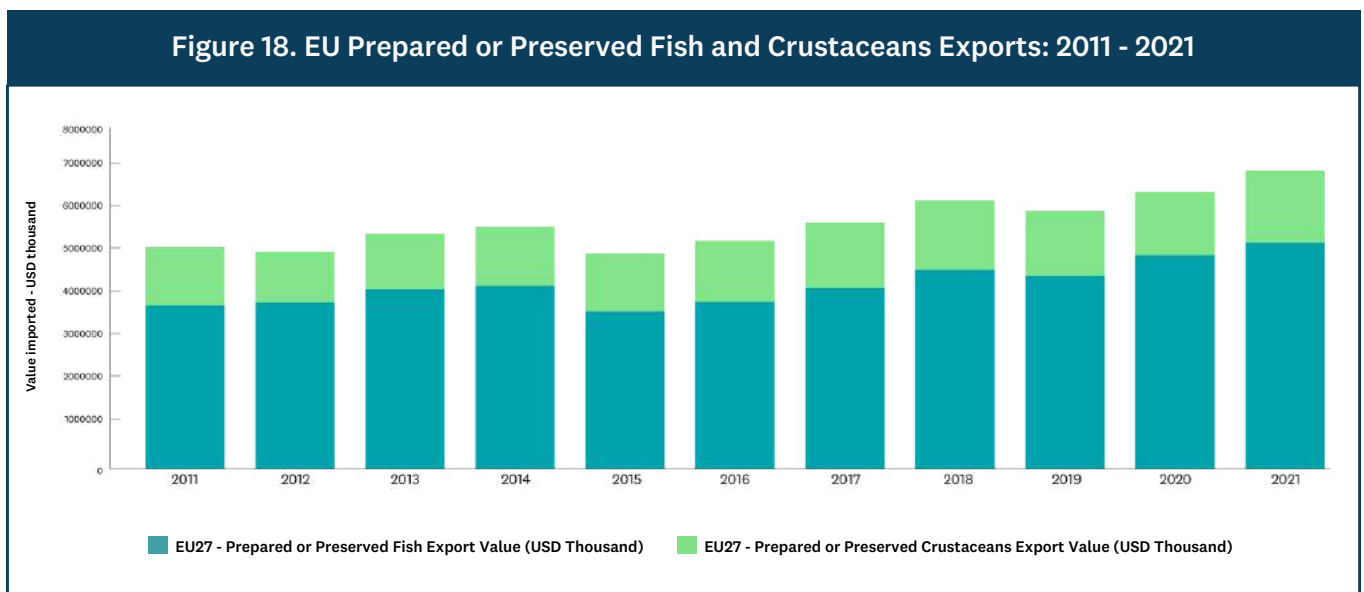


Source: ITC Trademap (2022)

Prepared or Preserved - Fish and Crustacean Products Export Flows

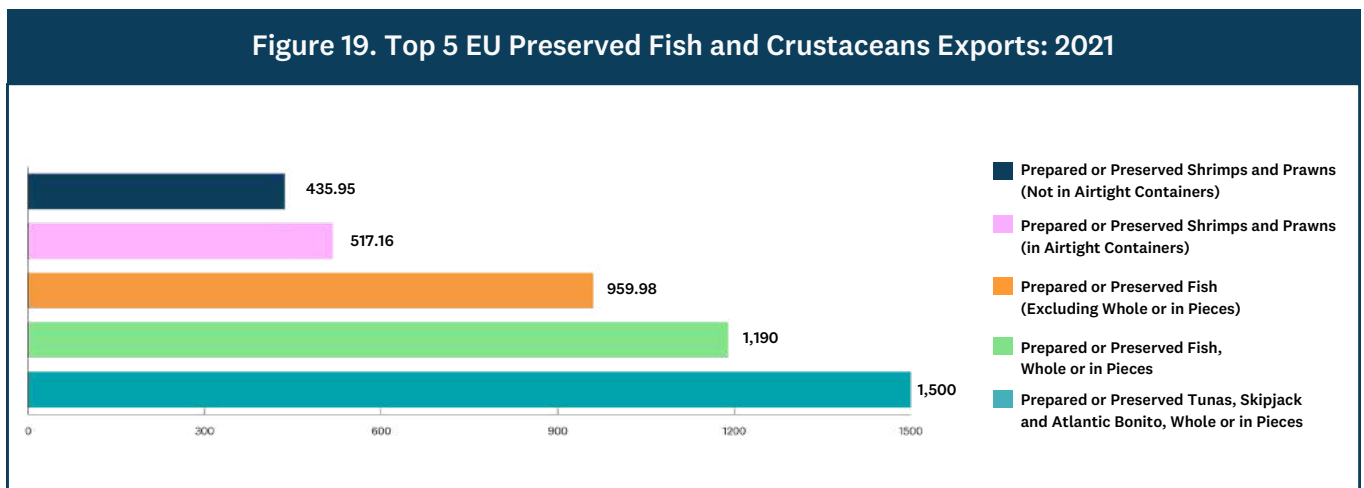
The EU27 bloc is a significant exporter of prepared or preserved fish and crustaceans, having exported US\$5.29 billion of prepared or preserved fish, and US\$1.69 billion of prepared or preserved crustaceans in 2021 as EU27 member states export at a much higher level when compared to other blocs such as BRIC, ASEAN, and NAFTA⁸.

Over the past decade, prepared or preserved fish exports have always outperformed prepared or preserved crustaceans exports. During this time, prepared or preserved fish exports made up over 70% of the value of the overall prepared or preserved fish and crustacean category exports. In 2021, prepared or preserved fish made up 77% of the value of exports, as shown in figure 18⁸.



Source: ITC Trademap (2022)

As of 2021, the leading exports of prepared or preserved fish and crustaceans within the EU27 bloc were prepared or preserved tuna, skipjack, and Atlantic bonito, whole or in pieces, with an export value of US\$1.50 billion. The top five exported products to the EU27 countries are:



Source: ITC Trademap (2022)

8. International Trade Centre (ITC Trademap) 2022. ITC Trade Map. Accessed 5 May 2022. <<https://www.trademap.org/Index.aspx>>

Fresh, Chilled and Frozen - Fisheries and Aquaculture Products Import Flows

The EU27 bloc is a significant importer of fresh and frozen fish and seafood products, accounting for 34% of global imports with a value of US\$45.40 billion in 2021 as noted in figure 20.

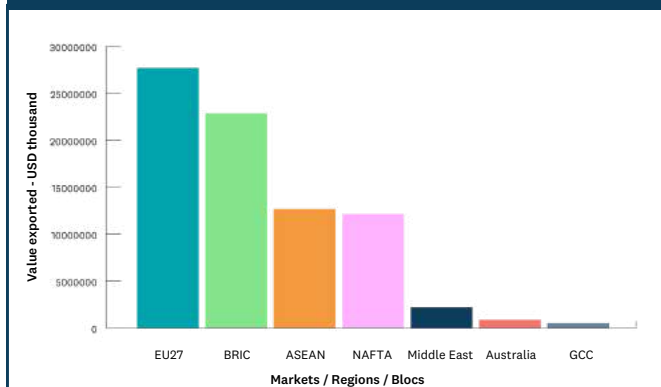
Imports by the EU27 bloc represents 85% of Europe’s total imports under HS chapter 03, and is significantly larger in value when compared to other blocs such as BRIC, ASEAN, and NAFTA as highlighted in figure 20⁸.

Key EU Importers

Fresh and frozen fish and crustacean imports within the EU27 bloc are led by Spain, France, Italy, Sweden, and Germany, with each of these markets having recorded an import value above US\$4 billion in 2021 as highlighted in figure 21⁸.

A significant portion of total imports were facilitated through Intra-EU27 nations. The leading exporter of fish and crustaceans, molluscs and other aquatic invertebrates into the EU27 member states in 2021 was Norway, representing over 20% of total imports⁸.

Figure 20. EU27 Fish and Seafood Imports Relative To Other Markets / Regions / Blocs - Fresh and Frozen (Fish and Crustaceans, Molluscs and Other Aquatic Invertebrates): 2021



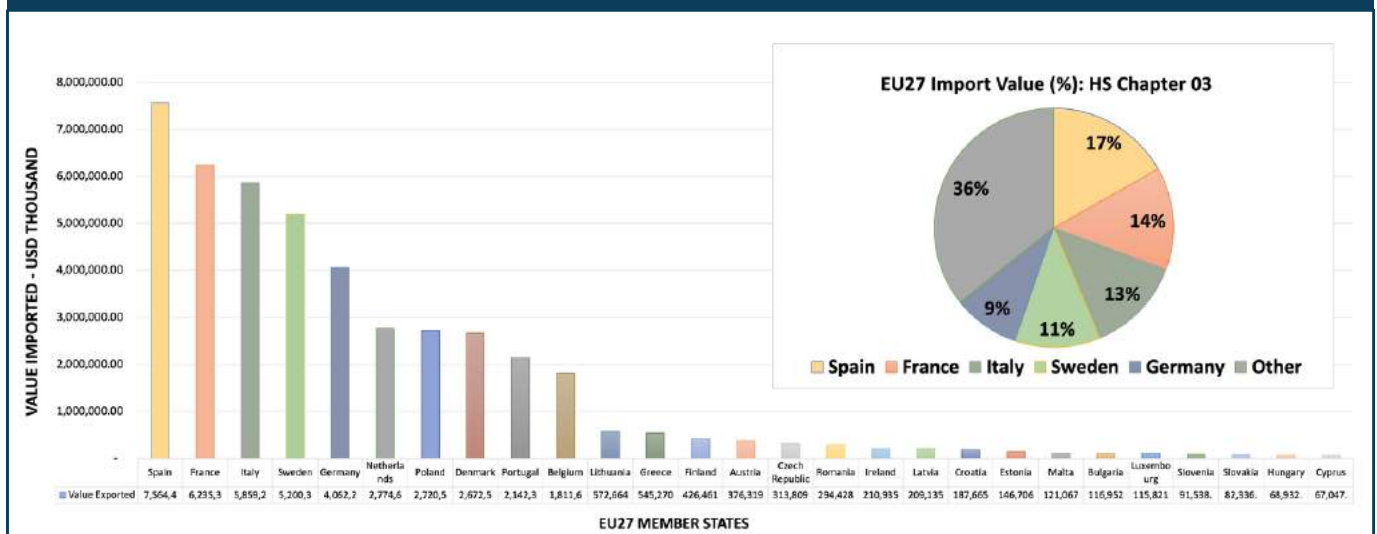
Source: ITC Trademap (2022)

Key EU Imports

The five leading commodities imported by EU countries within fresh, chilled and frozen seafood categories, as of 2021 are:

Fresh or chilled Atlantic salmon and Danube salmon	US\$9.12 billion
Frozen shrimp and prawns, incl. smoked, whether in shell or not	US\$4.77 billion
Frozen cuttlefish and squid	US\$2.36 billion
Fresh or chilled fillets of Pacific salmon, Atlantic Salmon, and Danube salmon	US\$1.181 billion
Frozen octopus	US\$1.51 billion

Figure 21. EU27 Imports - Fresh and Frozen (Fish and Crustaceans, Molluscs and Other Aquatic Invertebrates): 2021



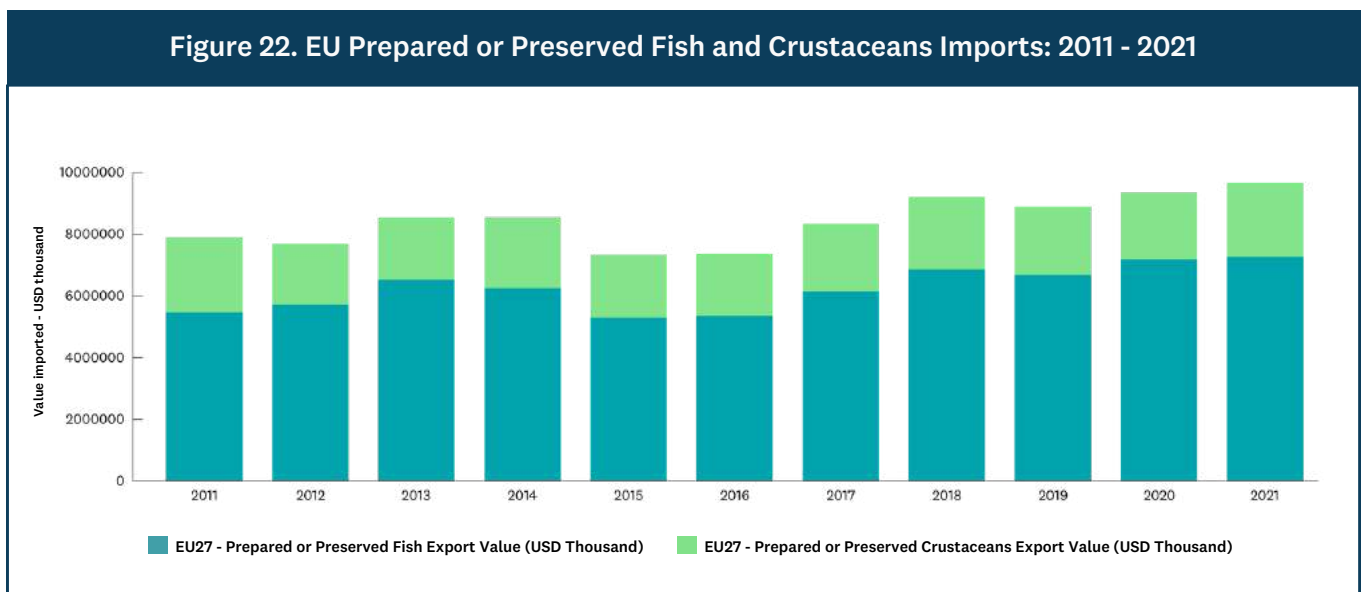
Source: ITC Trademap (2022)

8. International Trade Centre (ITC Trademap) 2022. ITC Trade Map. Accessed 5 May 2022. <<https://www.trademap.org/Index.aspx>>

Prepared or Preserved - Fish and Crustacean Products Import Flows

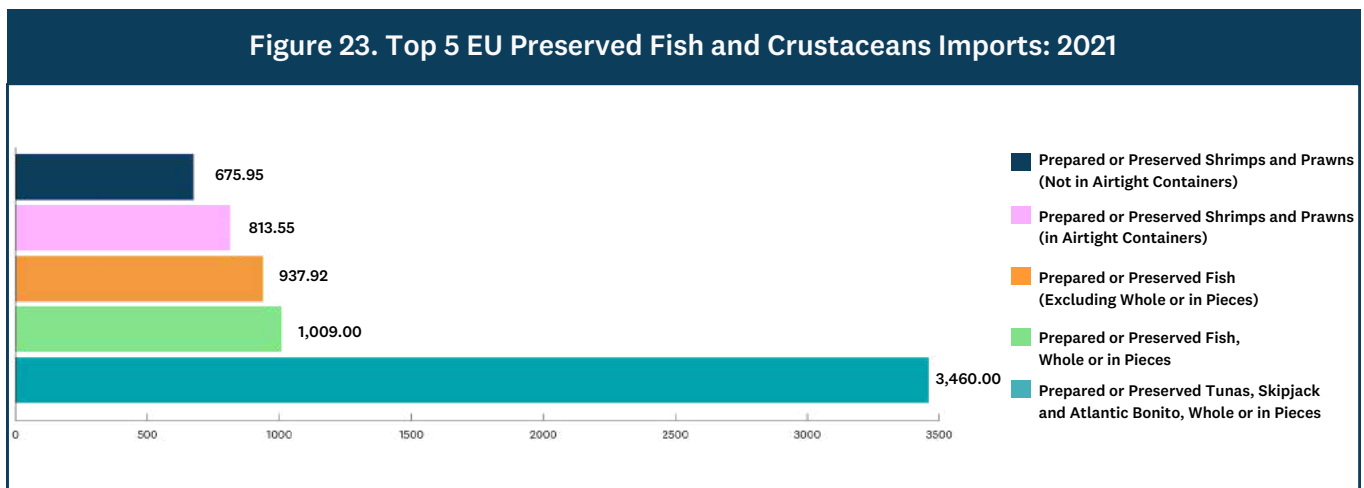
The EU27 bloc is a significant importer of prepared or preserved fish and crustaceans, having imported US\$7.26 billion of prepared or preserved fish, and US\$2.40 billion of prepared or preserved crustaceans in 2021. EU27 member states import at a much higher level when compared to other blocs such as BRIC, ASEAN, and NAFTA⁸.

Over the past decade, prepared or preserved fish have always outperformed prepared or preserved crustaceans when it comes to imports, representing over 70% of the overall prepared or preserved fish and crustacean category import value over this period. In 2021, prepared or preserved fish made up 77% of the value of imports, as shown in figure 22⁸.



Source: ITC Trademap (2022)

As of 2021, the leading imports of prepared or preserved fish and crustaceans within the EU27 bloc were prepared or preserved tunas, skipjack, and Atlantic bonito, whole or in pieces with an import value of US\$3.46 billion⁸. The top five imported products to the EU27 countries are highlighted in figure 23:



Source: ITC Trademap (2022)

8. International Trade Centre (ITC Trademap) 2022. ITC Trade Map. Accessed 5 May 2022. <<https://www.trademap.org/Index.aspx>>

Australia-EU27 Two Way Trade

Australia & the EU: Two-way Trade



Australia and the EU launched negotiations for a free-trade agreement in 2018, aiming to build upon a growing bilateral relationship based on a shared commitment to democratic values and a like-minded approach to international issues¹⁰. As of 2022, the 27 members of the EU bloc constituted Australia's second largest source of foreign investment, and second largest trading partner, with two-way trade exceeding \$78.7 billion in 2019-20¹².

Since 2018, there have been 12 negotiating rounds, with the most recent one occurring in 7-18 February 2022, with the commentary indicating progress being made across technical issues, market access offerings, government procurement, trade remedies, technical barriers to trade, and rules of origin²².

According to ITC calculations based on ABS data, Australian merchandise exports to the EU27 bloc surpassed US\$10.20 billion in 2021, an increase in value of over 30% from 2020, which was recorded at US\$7.86 billion⁶. Australian merchandise imports from the EU27 have also experienced exponential growth, surpassing an import value of US\$40.06 billion in 2021, compared to US\$31.74 billion in 2020⁸.

As a global supplier of fresh, chilled, frozen, and preserved fish and crustaceans, EU27 member states play a significant role in supplying the Australian market with fresh and chilled fish and seafood, representing 7.3% of total imports - led by Denmark (US\$47.41 million), Poland (US\$8.33 million), and the Netherlands (US\$1.2 million)⁸. The majority of seafood imports are salmon and tuna.

Australia imports a similar percentage of prepared or preserved fish from the EU27 as a proportion of total imports - 7.8% in 2021, with Poland, Italy, and Spain representing over 70% of the US\$32.38 million import value⁸. Australia is not a major importer of prepared or preserved crustaceans such as octopus and molluscs from the EU27, having imported only \$1.84 million in 2021, led by Spain, Ireland, and Denmark⁸.

8. International Trade Centre (ITC Trademap) 2022. ITC Trade Map. Accessed 5 May 2022. <<https://www.trademap.org/Index.aspx>>

12. Department of Foreign Affairs and Trade (DFAT) 2022, Australia-European Union Free Trade Agreement, 24 May 2022, <<https://www.dfat.gov.au/trade/agreements/negotiations/aeufta/default>>

22. Department of Foreign Affairs and Trade (DFAT) 2022, Australia-EU FTA - Report on Negotiating Round Twelve, 7-18 February 2022, 24 May 2022, <<https://www.dfat.gov.au/trade-and-investment/australia-eu-fta-report-negotiating-round-twelve-7-18-february-2022>>

Australian Exports into the EU by Product

Australia is not currently a significant exporter of fresh and frozen fish and crustacean products into the EU27 bloc, having exported US\$25.17 million worth of fish and seafood in 2021, representing 2.8% of total Australian fish and crustacean exports.

As per figure 24, the leading products being exported as of 2021 are frozen fish fillets, not elsewhere specified (n.e.s.), representing over 30% of total export value to the EU27 bloc at US\$7.58 million and frozen rock lobster and other sea crawfish, which represents 13% of total export value.

Figure 24. Key Australian Fish and Seafood Exports into the EU: 2021 - Fresh, Chilled and Frozen

Product Code	Product Label	2021 Export Value (USD Thousand)	Key EU27 Importers from Australia
Total - 03	Fish and crustaceans, molluscs and other aquatic invertebrates	25,169	Netherlands - 45% Italy - 16% Spain - 16%
030489	Frozen fish fillets, n.e.s.	7,577	Netherlands - 100%
030611	Frozen rock lobster and other sea crawfish, whether in shell or not...	3,349	Belgium - 54% France - 12% Spain - 12%
030289	Fresh or chilled fish, n.e.s.	2,612	Italy - 96% Spain - 4%
030499	Frozen fish meat n.e.s. (excl. fillets)	2,195	Netherlands - 100%
030617	Frozen shrimps and prawns, even smoked, whether in shell or not...	2,108	Spain - 51% Netherlands - 28% France - 21%
030391	Frozen fish livers, roes and milt	2,090	Italy - 50% Spain - 30% Greece - 20%
030341	Frozen albacore or longfinned tunas	1,432	Spain - 100%
030449	Fresh or chilled fillet of fish, n.e.s.	902	Germany - 72% Spain - 26% Italy - 2%
030249	Fresh or chilled Indian mackerels, seerfishes, jacks...	751	Germany - 100%
030631	Live, fresh or chilled rock lobster and other sea crawfish...	719	France - 100%

Source: ITC Trademap (2022)

8. International Trade Centre (ITC Trademap) 2022. ITC Trade Map. Accessed 5 May 2022. <<https://www.trademap.org/Index.aspx>>

Australian Exports into the EU by Market

The Netherlands has historically been Australia’s leading EU27 export destination for fresh and frozen fish and crustaceans, representing 45% of total export value in 2021, having experienced a 145% growth between 2020 - 2021, and a 26% growth annually between 2017 - 2021⁸.

There is a 10.09% average effectively applied tariff* on imported fresh and frozen fish and crustaceans from Australia into the EU27 bloc⁸.

Australia is not currently exporting any significant amounts of prepared or preserved fish and crustaceans into the EU27 bloc.

Figure 26. Key EU27 Markets for Australian Fish and Seafood Exports: 2021 - Fresh, Chilled and Frozen

Product Code	Importer	2021 AU Export Value (USD Thousand)
Total - 03	EU27	25,169
03	Netherlands	11,271
03	Italy	4,138
03	Spain	4,057
03	Belgium	1,792
03	France	1,551
03	Germany	1,481
03	Greece	816
03	Portugal	62

Source: ITC Trademap (2022)

8. International Trade Centre (ITC Trademap) 2022. ITC Trade Map. Accessed 5 May 2022. <<https://www.trademap.org/Index.aspx>>



Australian Imports from the EU by Product

Salmonids make up the overwhelming majority of fresh and frozen fish and crustacean imports from the EU27 bloc regarding fresh and chilled fish and seafood. Smoked salmon variants represent 70% of total imports at US\$41.15 million, while frozen salmon variants represent a further 19% of total imports at US\$11.12 million⁸.

The most significant Australian imports of prepared and preserved products from EU27 member states are prepared or preserved sardines (US\$8.67 million), anchovies (US\$7.71 million) and salmon (US\$5.26 million), representing close to 65% of total prepared/preserved fish and seafood imports from the EU27 region⁸.

Figure 25. Key Australian Fish and Seafood Imports from the EU: 2021 - Fresh, Chilled and Frozen

Product Code	Product Label	2021 Export Value (USD Thousand)	Key Australian imports from the EU27
Total - 03	Fish and crustaceans, molluscs and other aquatic invertebrates	59,039	Denmark - 80% Poland - 14% Netherlands - 2%
030541	Smoked Pacific salmon, Atlantic salmon, and Danube salmon (incl. fillets)	41,145	Denmark - 90% Poland - 9% Germany - 1%
030481	Frozen fillets of Pacific salmon, Atlantic salmon, and Danube salmon	11,123	Denmark - 48% Poland - 40% Netherlands - 10%
030543	Smoked trout (incl. fillets)	3,817	Denmark - 100%
030482	Frozen fillets of trout	972	Denmark - 100%
030551	Dried cod, even salted, not smoked	548	Portugal - 99% Italy - 1%
030772	Frozen, even in shell, clams, cockles, and ark shells	195	Ireland - 51% Netherlands - 48% Italy - 1%
030442	Fresh or chilled fillets of trout	146	Denmark - 100%
030539	Fish fillets, dried, salted or in brine, but not smoked	138	Italy - 45% Poland - 16% Denmark - 14%
030532	Fillets, dried, salted or in brine, but not smoked, of fish of the families Bregmacerotidae, Euclichthyidae...	135	Portugal - 100%
030549	Smoked fish, incl. fillets	130	Denmark - 52% Latvia - 47% Lithuania - 1%

Source: ITC Trademap (2022)

8. International Trade Centre (ITC Trademap) 2022. ITC Trade Map. Accessed 5 May 2022. <<https://www.trademap.org/Index.aspx>>

Australian Imports from the EU by Market

The EU27 bloc is a sizeable exporter of fresh and frozen fish and crustaceans into Australia, representing 7.3% of total imports. Denmark is by far the leading import source of fresh and frozen fish and crustaceans into Australia, representing 5.8% of Australia’s total imports, and 80% of total imports from the EU27 bloc.

There is no tariff applied by Australia on imported fish and seafood products from the EU27 bloc⁸.

As of 2021, approximately 7.8% of all prepared or preserved fish and 1% of all prepared or preserved crustaceans are being imported from EU27 member states; this is led by Poland, representing 2.9% of total imports at US\$11.87 million. On average, there is a 2.8% estimated tariff on prepared or preserved fish, and no tariffs for crustaceans⁸.

Figure 27. Key EU27 Exporters into Australia: 2021 - Fresh, Chilled and Frozen

Product Code	Importer	2021 AU Export Value (USD Thousand)
Total - 03	EU27	59,039
03	Denmark	47,412
03	Poland	8,326
03	Netherlands	1,196
03	Portugal	736
03	Spain	268

Source: ITC Trademap (2022)

8. International Trade Centre (ITC Trademap) 2022. ITC Trade Map. Accessed 5 May 2022. <<https://www.trademap.org/Index.aspx>>



Market Access into Europe



Food Import Clearance Procedure

Key regulations with regard to seafood are mentioned in the EU Common Fisheries Policy. All economic operators engaging in activity covered by EU customs legislation must register an Economic Operator Registration and Identification (EORI) number. This number is used in all communications with any EU customs authorities.

Competent authorities of the exporting country must guarantee compliance with EU requirements prior to export. Establishments must appear on the appropriate establishment list administered by DG-SANTE.

On top of standard customs clearance documentation required (customs declaration, commercial invoice, transport documents etc.), the following documents are required to export seafood into the EU:

- Health certificates to attest to the safety of fish and fishery (both wild and aquaculture) products
- A sanitary certificate and a catch certificate in compliance with EC Regulation No 1005/2008

Micor have outlined the relevant export certification required for fish and fish products exported to the EU as of December 2021 on the [AWE website](#).

Import procedures for seafoods in the EU are as follows:

- Products must be presented at an EU approved border inspection post
- Prior notification of the physical arrival of product into the EU must be provided to the border inspection post on arrival using the Common Veterinary Entry Document (CVED)
- Once goods arrive at the border, the following may occur:
 - Goods are placed into temporary storage under customs supervision until clearance.
 - Selected for a document/physical check, and further documents may need to be submitted
- Inspections of consignments from outside the EU are carried out on all consignments at the first point of entry into the EU. Import controls occur in three consecutive steps:
 - Document check of health certificate
 - Identity check
 - Physical product check
- Exporters must also be aware of relevant regulations outlining MRLs for residues of pharmacologically active substances, pesticides, and certain environmental contaminants.
- Exporters may need to provide a Foreign Catch Export Certificate in compliance with EC Regulation No 1005/2008.
- Exporters are advised to work with their importing partners to address market-specific requirements and ensure alignment with EU Regulation No. 1169/2011.

Market Access into Europe



Packaging & Labelling Requirements

EU Legislation under Regulation No 1379/2013 requires that all food, including seafood, must have a label that includes:

- The name under which the product is sold
- The list of ingredients (in descending order by weight)
- Net quantity of pre-packed food ingredients in metric unit
- Date of minimum durability (except for fresh produce)
- Any special storage conditions or conditions of use
- Name of the manufacturer, packer or EU seller (except for non-packed fresh produce)

As per CMO Regulation, the following is mandatory information to be displayed on the fishery label:

- The commercial designation of the species and its scientific name;
- The production method, in particular by the following words '... caught ...' or '... caught in freshwater ...' or '... farmed ...';
- The area where the product was caught or farmed, and the category of fishing gear used in the capture of fisheries
- Whether the product has been defrosted;
- The date of minimum durability, where appropriate.

Additional information for fisheries products can be found in the [EU "Pocket Guide" document](#).

Most EU retailers have adopted sustainability programs as of 2022; for example, [MSC certification](#) has become an unofficial "must-have" for fish products looking to be stocked by retailers.

EU-27 Market Opportunities & Challenges for Seafood Exporters



Market Opportunities

The key market opportunities, as outlined below, have been developed through evaluation of desk research, which included examining and utilising current Australian Government and industry research, figures and tables from a range of sources, as well as conducting personal interviews with in-market stakeholders and industry. Throughout this report, we have attempted to credit specific source material. The information presented in this report is a guide, and not intended to be exhaustive or seek to replace any industry reports or resources.



2nd largest seafood importer in the world



Growing demand for premium products



The North Sea as a gateway to Europe



Affluent consumer market



Growing popularity of shellfish



Demand for Atlantic salmon



Focus on health and wellness



Convenience trend



Future free trade agreement

2nd largest seafood importer in the world

Although COVID-19 has had a significant impact on European markets, it still presents noteworthy market opportunities for Australian seafood suppliers. Europe, the second-largest seafood importer in the world, imports significant volumes of fish and seafood for domestic use, additional processing, and export, and is home to important commercial hubs for regional product distribution. This maximises the range of opportunities available for Australian exporters, from exporting ready-to-eat retail products to wholesale fish and seafoods.

Growing demand for premium products

From a consumer perspective, there is a growing demand for niche species that enjoy a premium status - such as rock lobsters which has solid white flesh and a meat-to-shell ratio almost double that of other lobster species. It is also high in protein and low in cholesterol and fat, making it a healthy choice. This presents an opportunity for producers in Western Australia, South Australia, Victoria and Tasmania, where rock lobsters are typically harvested.

The North Sea as a gateway to Europe

The key hubs for the trading of seafood in Europe are the Netherlands, Germany, and Belgium. The North Sea is bordered by the shores of these three neighbouring countries in North-west Europe.

An opportunity exists to export seafood products from Australia to distributors in these countries, which would enable Australian producers to maximise sales not just in these markets, but also beyond as these three markets serve as a gateway to the rest of Europe because of their advantageous locations.

The presence of port towns like Rotterdam, Hamburg, and Antwerp provide significant opportunities for Australian Seafood suppliers to obtain value through intra-European trade. For many Australian exporters, these three markets remain key export destinations as per the export trade data flows released by the ABS through the International Trade Centre Trade Map.

Affluent consumer market

The developed, often affluent consumer markets across the EU present promising market opportunities, particularly for suppliers of lobsters and prawns, and to a lesser degree, finfish (i.e. Australian kingfish, yellowfin and southern bluefin tuna). The majority of export opportunities are noted to be for frozen and value-added products, given the freight and demand constraints. These opportunities are perhaps greatest in countries such as Germany, France and Italy, which together comprise over a quarter of the EU's total disposable incomes, thus making them ideal markets for more premium, imported seafoods.

Growing popularity of shellfish

Imported shellfish, in particular, mollusks/bivalves continue to grow in popularity across the EU, particularly across high-end restaurants given the EU's comparatively small level of production outside of France and Spain, compared to other countries such as Australia, Chile, China and South Africa.

Demand for Atlantic salmon

There is also high demand for salmon in the EU and in particular, Atlantic Salmon, presenting export opportunities for Australian suppliers - this is, however, a highly competitive space with the majority of supply into the EU taking place through the EU15 aggregation (biggest national economies inc. Germany, France, Italy and the United Kingdom).

Focus on health and wellness

Europe's rapidly ageing population, with over 20% of citizens above the age of 65, is exacerbating the focus on health and wellness. As a result, fresh foods including meat and fish have seen heightened consumer demand, further supported by rising disposable incomes. In line with this trend, consumers are more focused on quality and traceability, with eco-friendly products seeing sales growth 15% greater than overall market sales growth. Therefore, an opportunity exists to market Australian seafoods with a strong emphasis on their health benefits, sustainability and quality credentials to improve sales potential.

Convenience trend

The convenience trend will be important for producers to tap into, especially following the rapid growth of single-person households and the impacts of COVID-19 on consumer shopping habits. In particular, brands are encouraged to not just provide convenient seafoods, such as ready-to-eat canned and preserved products or ready meals containing seafood, but also select distribution channels which offer more convenient access for consumers, with a particular focus on e-commerce, which will comprise 20% of the grocery market by 2030.

Future free trade agreement

Negotiations for a free trade agreement between Australia and the EU are promising, and if established, an agreement would reduce the costs and other barriers associated with exporting seafood products.



Market Challenges



High tariffs



Complex regulatory requirements



Non-tariff measures



Sustainability Certifications



Comparatively low seafood sales overall



Increased price sensitivity



Impact of Covid-19 on supply chains

High tariffs

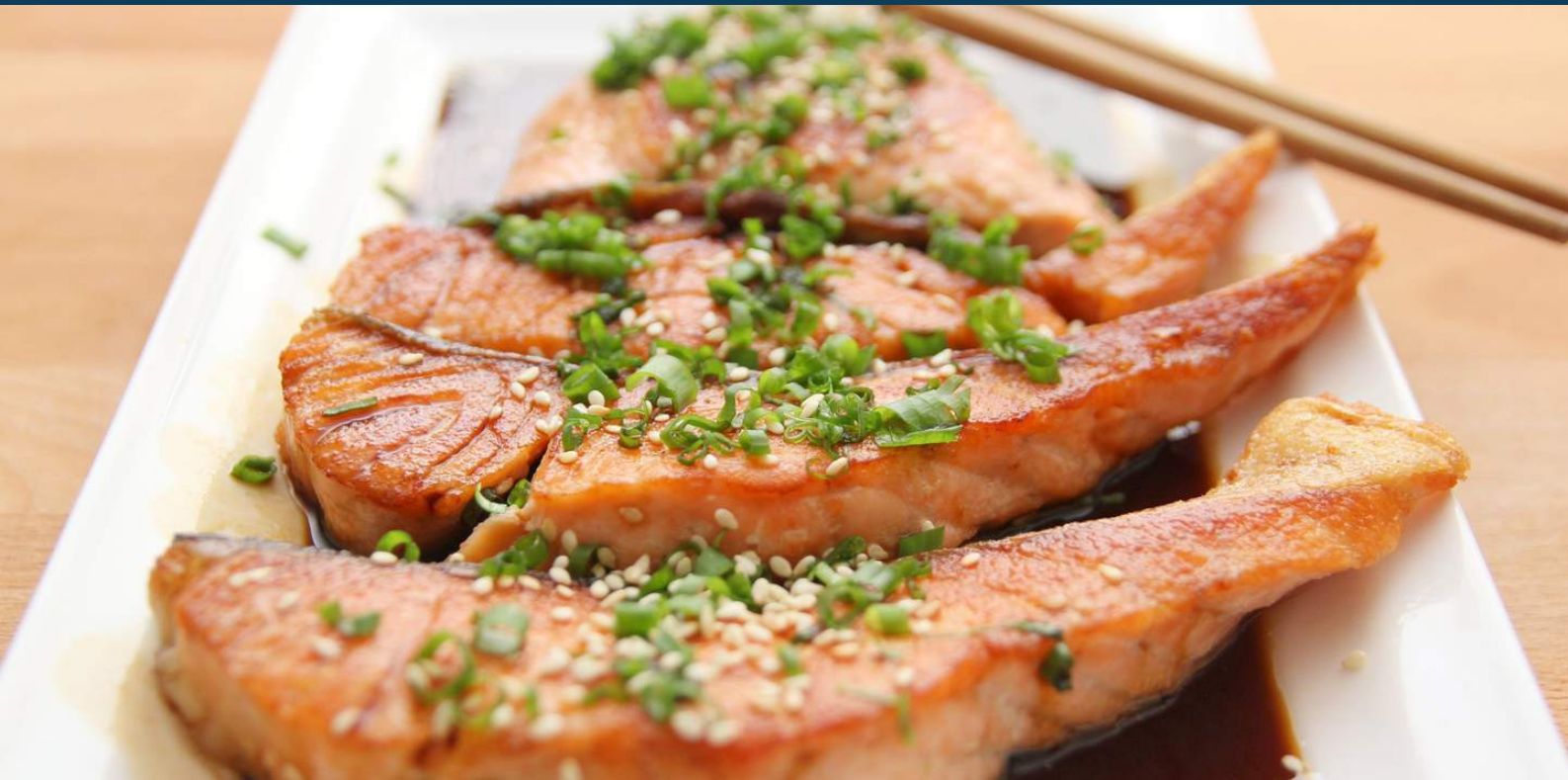
Despite the high potential of the EU-27 markets, there is an extensive list of associated challenges that have and continue to impact Australian suppliers. For one, as of 2022, the EU-27 markets continue to maintain high tariffs between 10 - 25% on seafood products imported from Australia, while other competing export markets such as the US, Canada, and other EU markets are subject to 0% tariffs across directly competing fish and seafood product lines. Until a free trade agreement is established with the EU, this will significantly reduce the price-competitiveness of Australian products in the EU market in favour of other Western countries, acting as a deterrent that subsequently disincentivises Australian fish and seafood suppliers.

Complex regulatory requirements

There is also a high degree of complexity associated with the EU's regulatory requirements that present challenges for Australian seafood exporters - especially smaller operators that perceive markets closer to Australia as offering higher returns without regulatory hindrance. Both tariffs and regulatory requirements will likely be prioritised as part of the EU-Australia FTA discussions, with necessary dialogue mechanisms needing to be established to address non-tariff measures impacting trade.

Non-tariff measures

EU has some non-tariff measures that restrict trade and can make it costly for businesses to export. Some non-tariff measures include meeting the EU's 'Approved Arrangements' for exporting facilities; and stringent testing of product, water and maximum residue limits, which are not always aligned with internationally agreed standards.



Sustainability Certifications

It is becoming more common for most European seafood importers and retailers to request sustainability certification such as Marine Stewardship Council (MSC) Certification, Aquaculture Stewardship Council (ASC) Certification, or equivalents. Applying for and maintaining MSC/ASC certification is an expensive endeavour; without it will often mean that you will not be able to gain a premium price for your products. Also, as European consumers become increasingly concerned about climate change and the need to buy sustainable products, this will present further barriers for Australian exporters who do not carry the relevant sustainability credentials in the future as consumers put pressure on businesses to stock certified products.

Comparatively low seafood sales overall

While fish sales are high through retail channels, seafood sales overall are comparatively low, stemming from the fact that consumers are wary of preparing their own seafood products at home. To combat this, this may require producers and exporters to place a greater emphasis on educating consumers on seafood preparation in their marketing messages to secure retail sales.

Increased price sensitivity

Despite economic recovery from COVID-19 having begun, overall increases in price alongside lingering impacts from COVID-19 are hindering fish and seafood consumption as price sensitivity has increased. These trends may pose a more significant threat in the short-term as the economy recovers.

Impact of Covid-19 on supply chains

Beyond the economic impacts of COVID-19, the impact on supply chains and trade relationships has created an uncertain outlook into the future, thereby creating difficulties for many exporters in developing their export plans which are highly reliant on external, uncontrollable factors. It will likely take a few years before trade costs and supply chains normalise, threatening ease of market entry and associated costs.



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