FINFISH STUDY 2022

AIPCE-CEP

EU Fish Processors and Traders Association

Brussels September 2022

Finfish Study 2022

The importance of international trade for seafood security in the EU

This study has been conducted to demonstrate the need for supply of imported seafood, particularly whitefish to produce added value seafood within Europe. The availability of a continuous, sustainable supply of raw materials is a key factor for maintaining and allowing expansion of employment and trade opportunities generated by the fish and seafood processing industry in Europe.

AIPCE-CEP

Brussels, September 2022

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This report is publicly available via the AIPCE-CEP website on https://www.aipce-cep.org/aipce-cep/white-fin-fish-study/

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Foreword

The Finfish Study has been prepared by and for the seafood processing and trade industry in Europe for more than 30 years and has been a useful tool in explaining the activities of the fish and seafood processing industry and trading sector.

AIPCE-CEP acknowledges there are other publications and databases that go into more detail about individual species and categories or that follow the daily events of the industry more closely. But AIPCE-CEP still values the preparation and publication of this annual study that shares AIPCE-CEP's opinion on how the trade is developing. It clarifies AIPCE-CEP's perception of key issues affecting that trade and the importance of finding pragmatic and viable solutions to sustain these activities.

Needless to state that the year 2021 has been an another exceptional year. In early spring of 2020 the global Covid 19 outbreak led the world into an unprecedented series of events. Primary production slowed down. Processing plants had to reduce capacity. Logistics were disrupted. Some markets were lost overnight, others grew. Consumers patterns changed. And, most important, the world was confronted human tragedies. The world is still recovering.

Overall, the sector in Europe demonstrated it was able to provide consumers seafood in challenging circumstances. One of the reasons for that can be related to the broad variety of sources that provide supplies to the value chain. Seafood is known to be one of the most traded foodstuffs. Despite the fact that Covid 19 created logistic challenges, overall market provision was secured through differentiated and robust international supply chains.

The year 2021 will without doubt be remembered as another extraordinary year for many companies with the continuation of Covid related disruptions. Most relevant disruptions are those in the area of container shipping, fuel costs and lack of labour.

New challenges occurred in 2022, where the Ukraine-Russia conflict is the most relevant one. Increased fuel prices has their impact on EU-production and EU sanctions made Russia-EU trade more complex. But with ever more European consumers that look for healthy and tasty food from natural resources the seafood sector has a positive outlook with third country import as becoming more and more important.

Guus Pastoor

AIPCE President

Peter Bamberger

CEP President

1 Introduction

1.1 Aim of the Finfish Study

The European fish and seafood added value processing industry relies on a consistent and sustainable supply of raw materials to satisfy consumer demand for fish products, both for domestic and out-of-home markets. Where traditional species dominate consumption in most member states a considerable expansion of species mix and presentation forms has been seen in recent years as logistics and access to materials have improved. Consumers are more aware of the broad spectrum of species and presentation forms available globally as the access to information and travel experiences expand.

As in other sectors imports have been the lifeblood of the industry for many years and fulfil an essential role. Reliance only on domestic supply would leave a much smaller industry and limit the scope for both growth and innovation. Using all the varieties and complementing domestic and imported supply has allowed the sector to maintain and increase its relevance across all member states.

This finfish study - prepared by AIPCE-CEP and its members –exemplifies the need for imported seafood in production of added value seafood within Europe. The ability to rely on a continuous, sustainable supply of raw materials is a key factor in maintaining and allowing expansion of employment and trade opportunities – generated by the fish and seafood processing industry in Europe.

The data in the finfish study only focuses on the volume aspect of trade and not value. This is because AIPCE-CEP's interest is in the scale of EU activity in relation to the availability of resources both within the EU and beyond. AIPCE-CEP recognises that price and relative values are an important dynamic of the trade but across the 27 EU member states there are many variations in formats, products and specifications that distort the prices making it difficult to make direct comparisons.

Competition for fish and seafood has grown on a global stage. The sector represents one of the largest sectors of all in international food trade and certainly outstrips other proteins. The need to conduct this trade responsibly has never been greater and within AIPCE-CEP we have been engaged in several initiatives to ensure our role in this is properly fulfilled and understood.

Who is AIPCE-CEP

AIPCE (EU Fish Processors and Traders Association) and CEP (European Federation of National Organizations of Importers and Exporters of Fish) were established in 1959 and collaborate the basis of a cooperation agreement, creating AIPCE-CEP. AIPCE-CEP comprises 19 EU National Associations and 3 associations from third countries. The sectors AIPCE-CEP represent account for more than 3,300 enterprises and 116,000 jobs.

31 Billion turnover[1]

3,300 enterprises[1]

116,000 direct employees[1]

9.0 million tonnes/year EU import[2]

2.4 million tonnes/year EU export[2]

[1] Source: AER fish processing 2021, edited by AIPCE-CEP
[2] Source: Eurostat (EU27), year 2021 edited by AIPCE-CEP (WFE)

The value of the output of the industry represented amounts to around EUR 31 billion, about 4 times the turnover of the EU catching sector.

AIPCE-CEP represents the EU fish processors and traders as a common strong voice in Europe providing for a framework in which companies can grow and prosper to continue offering healthy, sustainable and responsibly sourced fish products. AIPCE-CEP works to inform, analyse and monitor the trade in EU fish and seafood providing feedback and pragmatic advice to regulators and other stakeholders. This is not just to ensure compliance with existing regulation but also to create more effective and appropriate future legislation that enhances the reputation of the industry whilst still allowing it to operate.

AIPCE-CEP strives to take an active role in helping shape regulatory matters to best achieve their aims but within a pragmatic framework that ensures proper implementation and effect. AIPCE-CEP is pro-active in leading the dialogue and where appropriate over many years has taken actions within the supply chains ahead of regulatory controls to meet the expectations of stakeholders and consumers. At the same time, AIPCE-CEP is always mindful that this needs to be done whilst achieving and maintaining a consistent, regular and competitive offering.

The world of seafood is extremely dynamic and AIPCE-CEP is constantly responding to this. The provision of safe, nutritious and affordable food has been the activity of AIPCE-CEP members since its inception. Accepting the responsibilities this imposes on AIPCE-CEP to play its role in managing resources and their proper use has been at the forefront of its activities and AIPCE-CEP is acutely aware of the many considerations that comes with this for others and our members. AIPCE-CEP is confident that the efforts going into precautionary management, resource allocation and sustainability are paying off in many parts of the world.

1.2 Used data

The report is mainly based on statistics taken from Eurostat 2021 data and refers to the EU member states who were member states at the beginning of the year. For 2020 onwards data statistics from EU27 (EU28 excluding United Kingdom) were used. United Kingdom left the European Union on the 31st of January 2020. Any other data is ascribed to source.

Eurostat provides information by fishery product, species and/or category. To ensure consistency and to make a common comparison all information in the study have been converted to Whole Fish Equivalent (WFE).

Prior to 2009 the study used the official conversion factors of the German government as the basis of these calculations. Using such official data enables consistency but in AIPCE-CEP's opinion poorly recognised some increasingly significant differences in regional processing and product formats that in some instances have become key influencers in the EU and indeed global markets.

AIPCE-CEP methodology adopts our own set of conversion factors based on expressed processing yields gleaned from the practical experience of AIPCE-CEP members. AIPCE-CEP believes this approach more accurately reflects the differences between major processing methodologies now being employed as a result of both technical innovation as well as regional shifts around the world. Importantly this allows us to assess more realistically how much of the global resources are used in the EU market.

The EU Market Observatory (EUMOFA) regularly publishes trade data and has itself established conversion factors for all CN code through its own research. In the majority of cases these are the same or very closely match those used by AIPCE-CEP and has helped improve the accuracy of official reporting.

There will always be gaps and anomalies in the official statistics when they are first published and there is a long established process to correcting these retrospectively. Consequently, historical numbers are adjusted in the Finfish study as later versions become available but these changes are normally minor.

2 Consumption and supply

2.1 Key findings

- Total market supply (EU-production + third countries imports) for EU accounted to 12,500 thousand tonnes in 2021
- EU domestic supply for consumption reached 3,500 thousand tonnes in 2021
- 9,000 thousand tonnes of seafood for consumption was imported from third countries in 2021
- Exports to third countries accounted to 2,390 thousand tonnes in 2021
- Total EU consumption (EU domestic supply + Imports – Exports) in 2021 was 10,110 thousand tonnes
- The per capita consumption in 2021 was 22.6 kg
- EU import dependence rate increased following the UK departure to around 72% of total supply

2.2 Food balance

The EU market is highly dependent on imported materials for its markets. EU domestic supply cannot fulfil the EU consumer demands on its own, either in volume or species diversity. Table 2.1 shows the EU food balance for fish and fishery products.

2.2.1 EU domestic supply

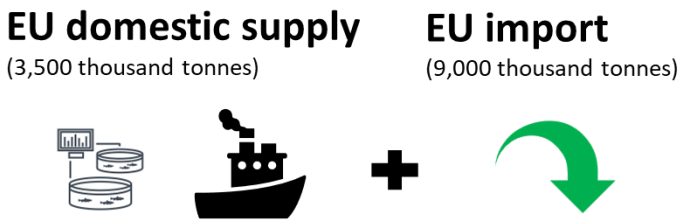
EU domestic supply consists of EU catches and EU aquaculture production. In 2021 77% of this supply came from EU catches (3,565 thousand tonnes) whereas aquaculture production accounted to 1,083 thousand tonnes. Part of EU catches are intended for non-food uses (fishmeal, fish oil; 1,148 thousand tonnes), which make the total EU domestic supply for food uses 3,500 thousand tonnes in 2021.

2.2.2 Imports from third countries

Imports from third country are essential to increase the available fish volumes and fish diversity in the EU. Import activity is high and at 9,000 thousand tonnes is over twice as high as EU domestic supply in 2021.

2.2.3 Total supply

Total supply for consumption in the EU is based on the available fish products (food use) gathered from domestic supply and imports from third countries together. The total supply reached 12,500 thousand tonnes in 2021.

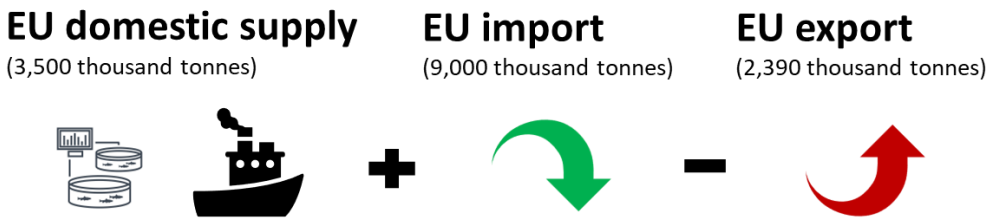


2.2.4 Export to third countries

Export activity reached 2,390 thousand tonnes in 2021. Exports represent around 68% of the total EU domestic supply (food use).

2.2.5 Total consumption

The net result of domestic supply, import and export gives a calculated consumption of total 10,110 thousand tonnes in 2021. This number is much lower compared to previous years, because of the absence of UK consumption.



The success of the industry remains dependent on access to imported fish. Domestic supply alone cannot fulfil the full consumption demand, especially in recent years were EU production decreased. It is important to have trade flows as seamless and smooth as possible due to the reliance of the EU processing industry on a truly global sourcing base.

2.2.6 Total consumption per capita

When taken at per capita level the total available supply is 28.0 kg and is comparable with the EU28 supply per capita. After adjustment for the export activity the consumption per capita decreased to 22.6 kg.

2.2.7 Self-sufficiency

The purpose of the finfish study is to highlight the scale of the industry and its dependence on imports. As mentioned above in 2021 total EU supply was 12.500 thousand tonnes for food use products. Adjusting for exports we arrive at a potential net consumption of 10,110 thousand tonnes. Projecting this in terms of reliance and self-sufficiency results in the following:

- If all EU catches and aquaculture fish were retained in the EU, it could represent 34.0% of total available supply. However, this includes non-food use so is unrealistic as a measure;
- Adjusting for this then in food use terms EU domestic supply represent 28.0% of total available supply assuming everything stays in the EU;
- we need to adjust this for exports that represent an important element of fish trade so this reduces to 8.8% when looked at the consumption;
- Restating above figures the other way around means that import represent 72.0% of all available supply and 89.0% of consumption [1].

Since the formation of EU25/27 in 2006, the dependence that the EU has on imported materials for its markets has been extremely high within the range of 57% +/- 2%. For 2019 onwards, the dependence on imported seafood grew to 65.4% mainly due to further reduced EU catches and the exit of UK out of the EU.

Note: when taking a purely theoretical approach the most optimistic calculation for self-sufficiency in the EU could assume the exports are retained and displace the equivalent amount of imports one-to-one (so 2,390 thousand tonnes) then the level of self-sufficiency gets to 34.6% against the consumption of 10,110 thousand tonnes in 2021.

[1] Assuming only domestically caught fish makes up the export activity

Tab. 4.1 Food balance for fish and fishery products

1,000 tonnes live weight

	EU (28)						EU (27)			
	2014	2015	2016	2017	2018	2019	2019 a)	2020 b)	2021 c)	2022 d)
Catches	5.494	5.260	5.127	5.425	5.337	4.922	4.410	4.448	3.565	3.209
+ Aquaculture production e)	1.236	1.268	1.296	1.370	1.319	1.367	1.163	1.140	1.083	974
- Non-food uses	960	1.056	858	1.227	1.347	1.331	1.331	1.250	1.148	1.091
= Supply for consumption	5.770	5.472	5.565	5.568	5.309	4.958	4.242	4.338	3.500	3.092
+ Imports (Third countries) f)	9.124	8.990	9.246	9.306	9.439	9.469	9.062	8.927	9.000	8.550
= Total supply	14.894	14.462	14.811	14.874	14.748	14.427	13.304	13.265	12.500	11.642
- Exports (Third countries) f)	2.293	2.012	1.977	2.121	2.233	2.233	2.514	2.700	2.390	2.223
= Total consumption	12.601	12.450	12.834	12.753	12.515	12.194	10.790	10.565	10.110	9.419
Total supply per capita (kg) g)	29	28	29	29	29	28	30	30	28	26
by EU catches in %	30	29	29	28	27	25	23	24	19	18
by EU aquaculture in %	8	9	9	9	9	9	9	9	9	8
by third countries imports in %	61	62	62	63	64	66	68	67	72	73
Consumption per capita (kg) h)	24,9	24,5	25,2	24,9	24,4	23,8	24,2	23,6	22,6	21,1
Self-sufficiency (%) i)	46	44	43	44	42	41	39	41	35	33

Notes: a) Recalculation: EU (28) minus UK; b) Corrected figures; c) Preliminary figures; d) Forecast; e) Estimation for 2019-2022;
f) Without fishmeal (feed) and fishoil, product weight converted into live weight; g) Total supply / EU-population * 1000 = kg/caput/year;
h) Supply for consumption / EU-population * 1000 = kg/caput/year; i) Supply for consumption / Total supply * 100 = Rate of self-sufficiency in %.

Source: Eurostat, Eurostat-Comext, EU catch report, EUMOFA, AIPCE-CEP-Estimations

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2.2.8 Current trends

As AIPCE-CEP we keep observing a high diversity in species, frequency and time as innovation in packaging, logistics and therefore access creates more opportunities for consumers to eat more fish often and in alternative ways.

The corona pandemic did change the trade flows and consumption patterns worldwide. The (partially) lockdown of countries negatively influenced seafood production and consumption. In Europe seafood was mainly accessible via retail, where HoReCa was closed in 2020. For 2021 consumption pattern were comparable with the years before covid.

Reduced air traffic and worldwide disruption to container traffic continues to cause logistic challenges for getting seafood from point a to point b. Cargo prices are still at high levels. It has become more challenging for the EU processing industry to fulfil the EU consumer demand for fish.

To ensure continued access to opportunities industry should not be hampered by unnecessary burdens of tariff and non-tariff barriers.

The Ukraine-Russia war face the EU with high fuel prices. This put pressure on the EU production. The EU sanctions against Russia on the other hand made it more complex to source seafood material from Russia.

3 Regulatory review

3.1 Autonomous Tariff Quotas (ATQs)

One of the key messages from the finfish study is the industries dependence on imports. The Autonomous Tariff Quotas (ATQs) regulation is specifically designed to permit the EU industry access to its raw materials in a way that stimulates growth, employment and investment.

At the end of 2020 the latest cycle of ATQs entered into force (Council Regulation (EU) 2020/1706). This latest cycle is triennial and focuses on the years 2021-2023. ATQs had been the subject of extensive negotiations in the last months of 2020 and the final agreement represented an improved product coverage and volume. New species introduced in the new cycle are whole frozen flatfish (7,500 tonnes on 0% import tariff), whole fresh trout (10,000 tonnes on 5% import tariff) and whole, fillets and flaps of chub mackerel (5,000 tonnes on 7.5% tariff).

In July 2021 Council Regulation (EU) 2021/1203 amending to the Council Regulation (EU) 2020/1706 new ATQs due to compensate the loss of tariff reduction of the British overseas countries and territories (OCTs) since they are no longer associated with the EU since the UK left the EU, and the loss of duty-free fishery products for processing from Iceland and Norway since additional protocols for quotas for certain fish and fishery products expired on 30 April 2021. In order to ensure an adequate supply to the EU processing industry, in the amending Council Regulation (EU) 2021/1203 import duties are suspended for Patagonian squid, herring preserved in brine, frozen herrings, frozen fillets and flaps of herrings, fillets of redfish and various species of frozen fish for processing.

The strength of ATQs is that they are not country specific. Third country supply of the products needed by the EU processing industry is not always guaranteed from specific sources (eg. due to changes in quotas), which requires flexibility to source from alternative resources. ATQs allow this switching simply and smoothly without losing the benefit of preferential tariffs.

A part of the flexibility in the ATQ system is lost in the most recent legislation. By removing ATQ suspensions for several species (instead of fixed amounts) the current ATQ legislation is taking away the flexibility of reacting to market changes in the three year period.

3.2 Trade agreements

3.2.1 TCA Agreement UK

The UK left the European Union on 31 January 2020, after which it became a third country. The EU and UK realized a Trade and Cooperation Agreement (TCA) on 24 December 2020 that has been applied provisionally from 1 January 2021.

Rules of origin: Heading Five of part Two of the Agreement covers 'Fishery and aquaculture products'. Trade in these products is tariff and quota free, subject to strictly defined (general and product specific) rules of origin. If seafood products are not "wholly obtained" within the EU or UK import tariffs up to 25% are applied.

The seafood industry has over many years developed highly integrated supply chains with different stages of processing being carried out at scale in different parts of the EU. In many cases, products sold into the UK originate from outside the EU and have already gone through various processing stages in the EU by the time they arrive in the UK either as consumer ready or for further processing into finished products. The not fully obtained character of these products do not qualify them for tariff free access to the UK. The processing of these non-EU seafood products will shift to the relevant third country or UK itself.

Catch certificates: Under provisions implementing the original UK Withdrawal Agreement, Council Regulation (EC) No 1005/2008 of 29 September 2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing (IUU) is wholly transposed into UK legislation as part of retained EU law. This means that trade in both directions is now subject to the full catch and certification requirements which each previously only applied to imports from third countries.

The difficulty is that the above mentioned requirements were originally framed to apply at the EU's common external border in the context of trade flows for final consumption within the Single Market (where linkage back to catching vessels would be relatively straightforward) and not for products intended to be re-exported following, often complex, further processing within the EU itself.

3.2.2 EVFTA Vietnam

The EU-Vietnam Free Trade Agreement (EVFTA) entered into force on 1 August 2020. The EVFTA is described as the most ambitious trade agreement the EU has ever concluded with a developing country, eliminating 99% of custom tariffs.

Most of the tariffs for seafood products are eliminated directly in the EU-Vietnam FTA. However, for a significant group of seafood products tariffs will be phased out gradually. If EVFTA seafood tariffs are higher during the gradually phase out compared to the General Scheme of Preference-tariffs (GSP) at that moment, the importer may choose whether to use GSP or EVFTA tariffs.

3.2.3 EPA Japan

An Economic Partnership Agreement (EPA) between the EU and Japan entered into force on the 1st of February 2019. Under the Agreement, all fish products have been, or will be liberalised over time.

3.2.4 Other trade agreements

Beside the TCA-agreement with UK, EVFTA-agreement with Vietnam and EPA-agreement with Japan more EU trade agreements are being negotiated. However, these negotiations have been concluded less recently and are of variable importance for EU processing industry as fish resources are constantly moving and changing.

Concluding trade agreements will help improving bilateral relations, increase trade and remove unnecessary trade barriers between the EU and partner third countries.

3.3 EEA Agreement with Iceland and Norway

The supply of fish and fishery products from the Nordic trading partners is significant and facilitated by comprehensive preferential trade instruments. However, 13 additional tariff quotas expired April 30th 2021 with no new agreement yet in sight. These also include consumer ready products, and the Council Regulation (EU) 2021/1203 (See 3.1) only covers until October 31st 2022 for some species and products for end use within the EU. A mechanism of continuity is needed to guarantee continuous and predictable supplies and to bridge the gap between old and new agreements.

3.4 IUU and CATCH

In respect of the IUU regulation the European Commission continue to use their system of "yellow and red cards" to deter and eliminate Illegal, Unregistered and Unregulated fisheries. Processors and traders take seriously their responsibilities to ensure that IUU fish products does not enter the supply chain.

At the beginning of August 2022 three third countries have a "red card". These countries are:

- Cambodia since November 2013;
- St Vincent and the Grenadines since May 2017;
- Comoros since May 2017.

Imports of seafood products into the EU from red carded third countries are not allowed.

The following countries received a "yellow card" since 2020:

- Cameroon in February 2021;
- Ghana in June 2021.

The following countries saw their "yellow card" removed since 2020:

- Kiribati in December 2020, which had been in place since April 2016.

The total number of countries having a yellow card accounts to 9 (Cameroon, Ecuador, Ghana, Liberia, Panama, Sierra Leone, St. Kitts and Nevis, Trinidad and Tobago and Vietnam).

In May 2019 the European Commission launched CATCH, an IT system that aims to digitalise the currently paper-based EU catch certification scheme as laid down by the Regulation (EC) No 1005/2008.

In coming years CATCH will be used on a voluntary basis. While being a considerable driver for the reduction of the administrative burden reduction for all actors involved, the use of the system will remain voluntary for third countries even after the adoption of the legal basis.

4 Covid-19

Although the worst direct effects of the Covid-19 virus appear to have eased (at least in Europe) many related supply chain issues, including in respect of transport and shipping operations, are continuing to inhibit a return to pre-pandemic trading conditions. Although aggregate economic activity is returning to more normal levels, supply is lagging demand in many sectors, resulting in significant inflationary pressures. Those are now being compounded by unparalleled energy price increases as a result of Russian actions in Ukraine, which are also impacting on other raw material and input costs in global food markets. These are in turn altering long established price differentials between different food categories. In theory this could benefit seafood as compared to land-based animal proteins which are more dependent on feed and fertilizers. But the number of variables means it is difficult to impute cause and effect or to model current trends given the absence of comparable historic data. Businesses are therefore likely to face a period of significant uncertainty for many more months, further complicating planning and investment decisions.

5 Product category

5.1 General

Since 1992 the Finfish study focussed on the dialogue and explanation of trade in the seven key wild whitefish species (cod, Alaska pollock, hake, haddock, saithe, redfish & hoki). This category will be analysed in the first subcategory of this chapter. However, during time more and more species were introduced in the Finfish study (e.g. plaice, salmon, shrimp, tuna, et cetera). These species are analysed, divided and presented in subsequent subcategories.

EU supply will be based on EU-imports, aquaculture production and fisheries catches, where:

- EU-imports are based on Eurostat/Comext data;
- Aquaculture production data comes from the Federation of European Aquaculture Production (FEAP) and estimations from AIPCE-CEP;
- Fisheries catches consist of catches of EU-quoted fish species (EU Catch Report).

Fish volumes are converted to Whole Fish Equivalents (WFE).

5.2 Whitefish

5.2.1 General

The apparent demand of whitefish of EU-27 is high with 2,563 thousand tonnes for wild capture species in 2021 (-0.6%; -15 thousand tonnes). These species represent cod, Alaska pollock, hake, haddock, saithe, redfish & hoki. Increased global competition on procurement, and a drop in some of the important whitefish quotas put pressure on the whitefish supply in future.

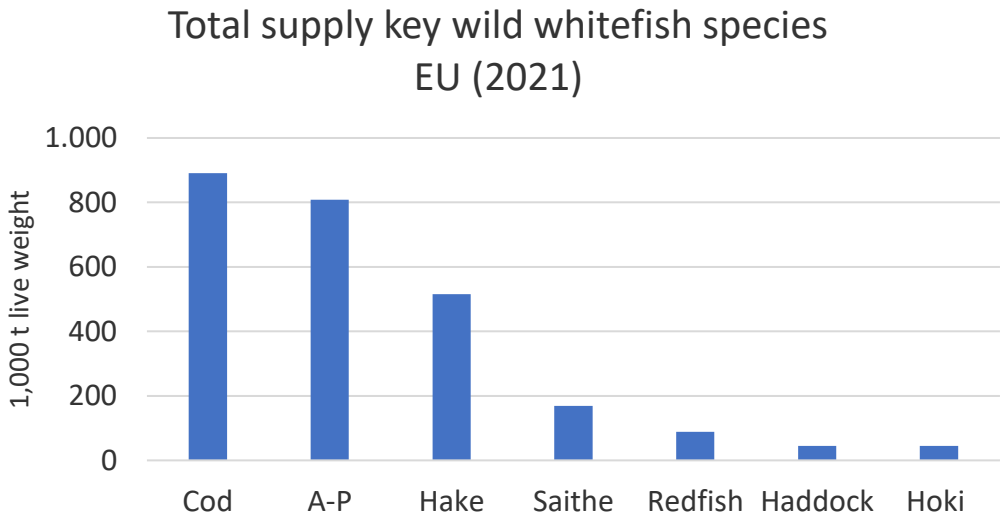


Figure 5.1: Total volumes utilized in the EU of key wild captured whitefish species in 2021; Source: Eurostat/Comext

Whitefish species are of great importance in the supply of the EU market, due to the scale of the tonnages involved, and also the high added value provided by the processing of these species by the EU processing industry. Most of the whitefish is imported from outside the EU borders, around 94% in 2021 (2,397 thousand tonnes). Cod and Alaska Pollock are the most important whitefish species in the EU supply, accounting to 891 thousand tonnes and 808 thousand tonnes in 2021 respectively. Species like Alaska pollock and hoki are fully dependent on imports from outside the EU (figure 5.2).

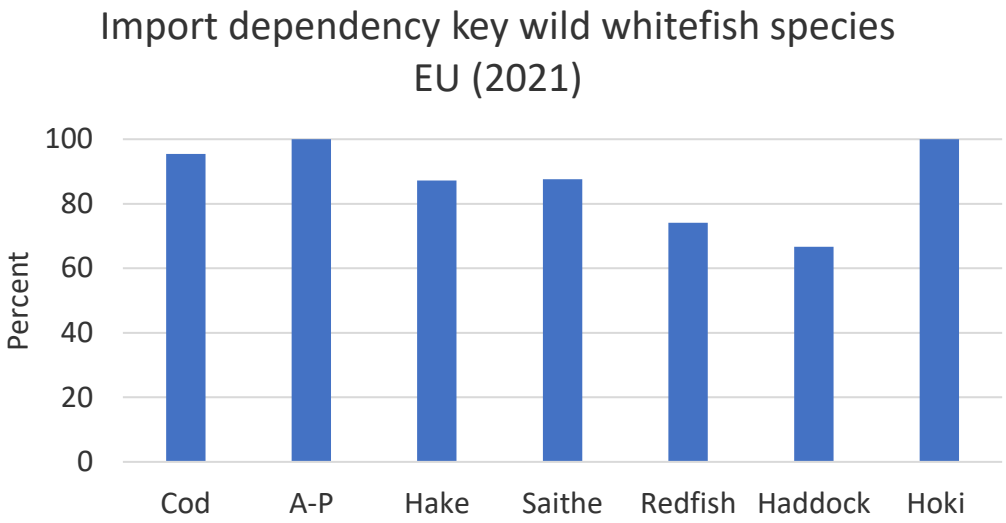


Figure 5.2: Import dependency EU for key wild captured whitefish species in 2021; Source: Eurostat/Comext

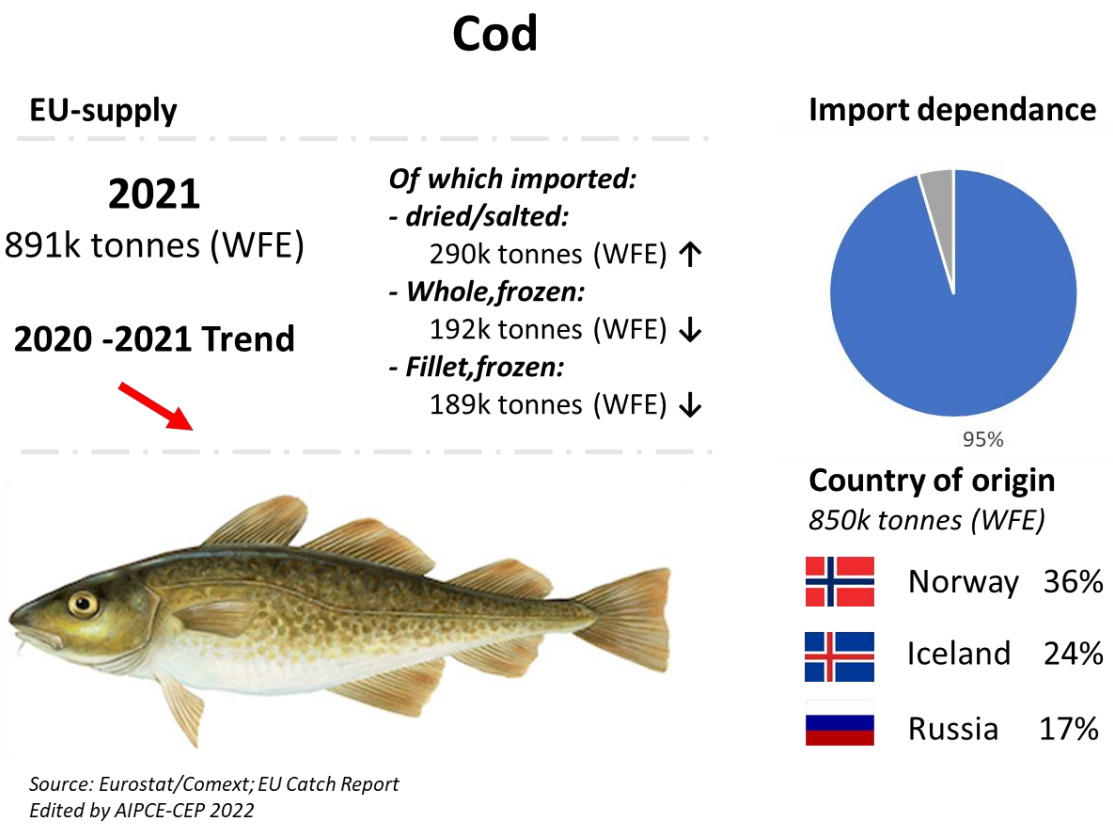
Supply from EU catches of species under quota management show a decreasing trend for many years. In 2021 the total landing volume of whitefish amounted to 166 thousand tonnes, a decrease of 37% compared to 2020. Especially cod (-38 thousand tonnes; -48%), haddock (-25 thousand tonnes; -63%), saithe (-17 thousand tonnes; -45%) and hake (-10 thousand tonnes; -13%) were caught in lower quantities in 2021. The domestic EU production of all whitefish species decreased in 2021, mainly due to the lower fishing effort due to COVID-19.

The most important external sourcing countries in 2021 were China (407 thousand tonnes; -9%), Norway (388 thousand tonnes; -1%), USA (374 thousand tonnes; -14%), Russia (367 thousand tonnes; +18%) and Iceland (308 thousand tonnes; +12%). China's share of EU imports of whitefish has dropped to 17% (in WFE). Almost all whitefish import from China and USA are frozen fillets (especially Alaska Pollock).

"Whitefish species are of great importance in the supply of the EU market, due to the scale of the tonnages involved, and also the high level of added value provided by the processing of these species by the EU processing industry"

Whitefish species are well established in the EU and consumers are familiar with them. Continued access to global whitefish fisheries without unnecessary barriers is essential if processing industry is to be viable and in turn maintaining that viability is key to be able to offer long term opportunity to the EU catching sector.

5.2.2 Cod



Source: Eurostat/Comext; EU Catch Report
Edited by AIPCE-CEP 2022

Most of the landed Atlantic cod worldwide comes from the Barents Sea. Fishing quotas in the Barents Sea increased in 2021 (+20% to 885,600 tonnes), which is important for the EU cod supply. However, for 2022 Atlantic cod quota in the Barents Sea decreased again by 20%.

The mid-Atlantic region around Iceland is another important source for Atlantic cod. This area showed a decreasing quota in 2021 (to 257 thousand tonnes; 6% reduction) and 2022 (223 thousand tonnes; 13% reduction) due a shortfall of cod.

Pacific cod are mainly caught by USA/Canada, Russia, Japan and Korea. Bering Sea Pacific cod quota decreased by 21% in 2021 to 111 thousand tonnes. For 2022 the North Pacific Fishery Management Council (NPFMC) recommended an increase of the Pacific Cod quota by 23%, to 136 thousand tonnes.

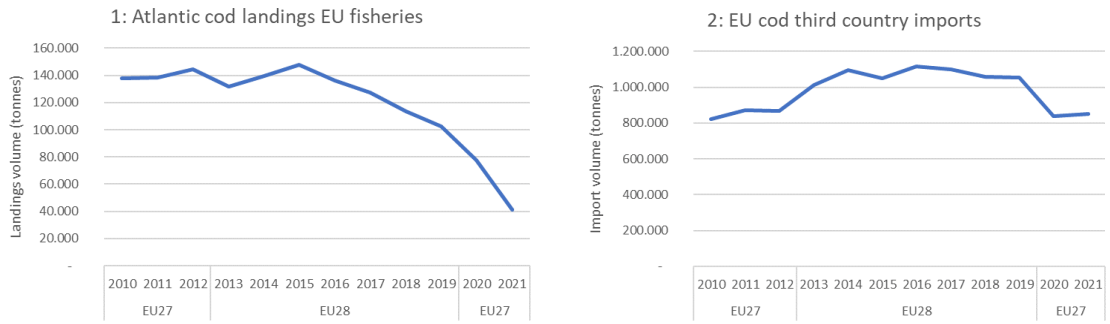


Figure 5.2.1: EU Atlantic cod landings, year 2010-2021 / Figure 2: EU cod third country imports, year 2010-2021

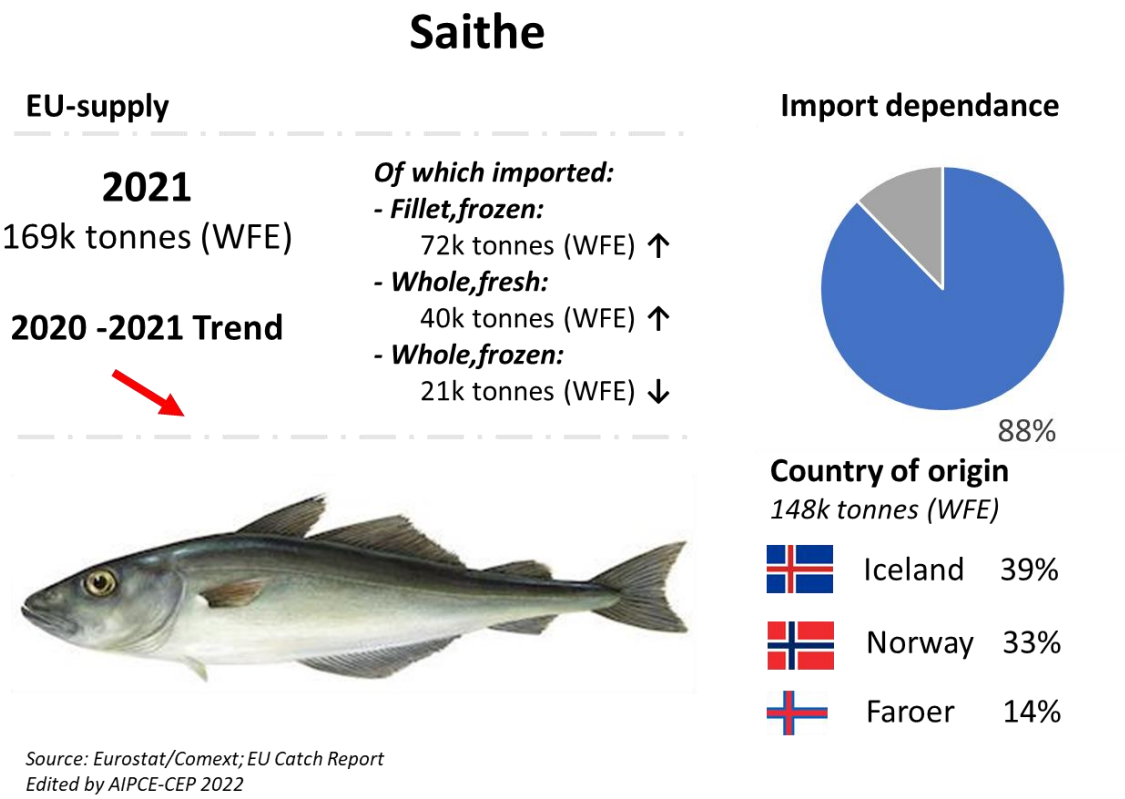
In 2021 the total EU-27 cod supply decreased by 3 percent to 891 thousand tonnes (-28 thousand tonnes). EU cod fisheries represented 5 % of this supply, 41 thousand tonnes. The other 850 thousand tonnes of cod products were imported from third countries, especially from Norway (36%), Iceland (24%) and Russia (18%). Where the biggest share of cod from Norway consists of salted/dried cod, Icelandic Cod is mainly imported fresh or in frozen fillets/blocks, and Russian cod mainly frozen raw, simply headed and gutted.

Cod enters the EU mainly via the Netherlands, Denmark and Sweden. Most of the cod imports in 2021 consisted of dried/salted cod (34%), frozen fillets (22%) and frozen whole cod (23%). Cod is re-exported within the EU - either processed or not - to especially France, Portugal and Spain.

Industry benefits from two significant Autonomous Tariff Quota (ATQ) allowances in cod. These ATQs are the basis for raw materials in the EU fish processing industry. H&G cod (09.2759) has a limit of 110,000 tonnes and cod fillets (09.2776) have a 50,000 tonnes duty free import allowance in 2021. Another ATQ for cod is salted cod for processing (09.2765) with a 2,000 tonnes duty free import allowance in 2021. All quotas are there to stimulate growth, employment, and investment in EU fish processing industry.

It is obvious that for the future supply of cod in the EU, imports from third countries are vital to secure the high quantity of cod for consumption in Europe. Firstly, EU fishing quotas should be utilized by EU fisheries at their maximum sustainable yield. But reduced fishing quotas for some important cod stocks and the increased complexity in global trade asks for the right measures from the EU Commission to make import as simple as possible.

5.2.3 Saithe



Source: Eurostat/Comext; EU Catch Report
Edited by AIPCE-CEP 2022

Most of the wild caught saithe comes from the Barents Sea, but also the North East Atlantic region (FAO27) around EU, Iceland, Faroes and Norway is an important area. That's why both EU catches and imports contribute importantly to the saithe supply in the EU.

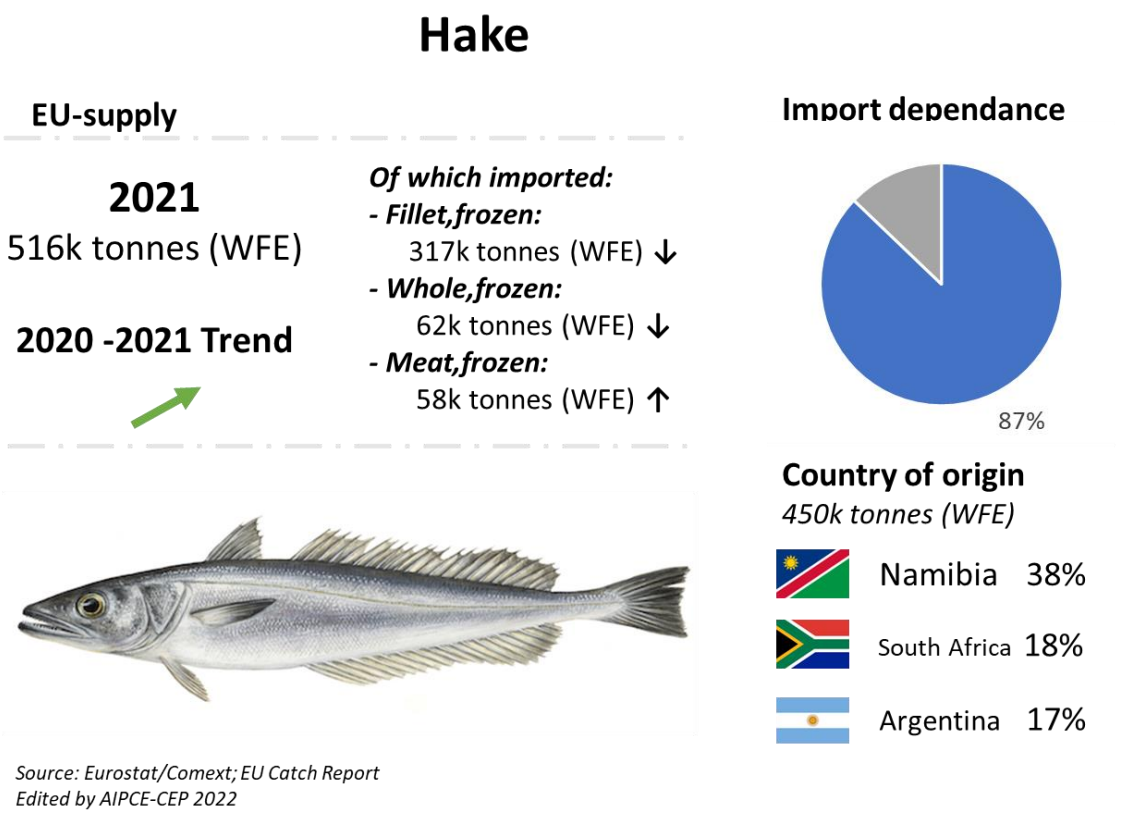
In 2021 the saithe supply decreased to around 169 thousand tonnes (-8% compared to 2020), where 12% of the supply came from EU fisheries (21 thousand tonnes in 2021). The volumes from EU-fisheries show a decreasing trend with a huge drop in 2021 (-46%). The other 148 thousand tonnes of saithe are imported from third countries (88% of total supply).

Most important sourcing countries for saithe in 2021 were Iceland (39%), Norway (33%) and Faroes Islands (14%). 49% of the EU saithe imports consisted of frozen fillets, followed by fresh whole saithe (27%). The products enter the EU mainly via the Netherlands, France, Denmark and Sweden, while the mai processing and consumption markets are France, Poland, Germany and Denmark.

A small quantity of saithe is exported outside the EU, especially to China (re-export), Norway and Brazil.

There are no ATQ allowances in saithe as the saithe supply comes from countries in the EFTA region or the UK.

5.2.4 Hake



Source: Eurostat/Comext; EU Catch Report
Edited by AIPCE-CEP 2022

EU hake supply slightly increased to 516 thousand tonnes in 2021 (+3 thousand tonnes; +1%). 87% of this supply is imported from third countries, mainly Namibia (38%), South Africa (18%) and Argentina (17%) for the 450 thousand tonnes of imported hake.

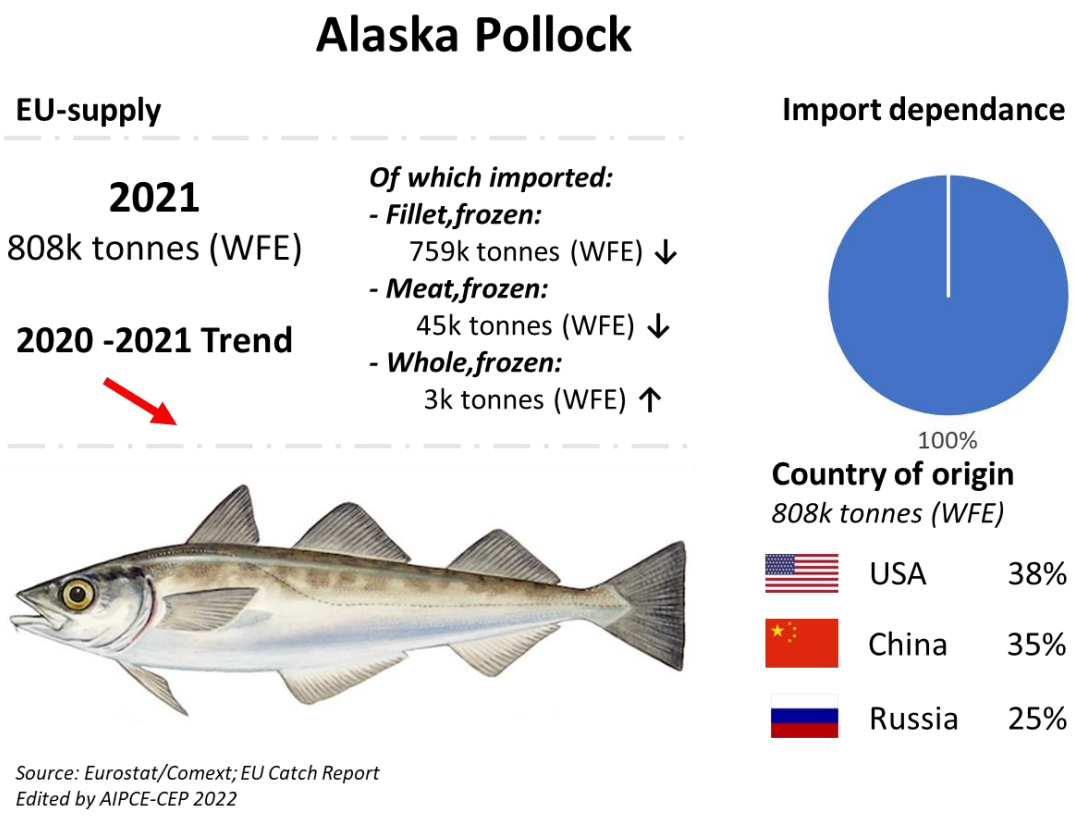
EU catches accounted for 66 thousand tonnes in 2021, corresponding with an utilisation of 61% of the EU available fishing quota for hake. As for most of the EU fisheries the COVID-19 pandemic was the main reason for this low utilisation of EU hake quota.

Two ATQ allowances are available for hake. Frozen hake for processing (09.2760) has a limit of 10,000 tonnes and frozen fillets and other meat from North Pacific hake and Argentine hake (09.2774) have a 40,000 tonnes duty free import allowance. Both quotas are there to stimulate growth, employment and investment in EU fish processing industry. The base limit for frozen hake fillets and other meat (09.2774) was for 92% used at the end 2021 (fully used in 2020).

70% of the 2021 hake imports consisted of frozen fillets, followed by frozen whole hake (14%).

Hake is imported into the EU via Southern European countries mainly, especially via Spain. Spain exports the hake into the EU especially to France, Italy and Portugal. East European non-EU countries (Ukraine, Moldavia, Serbia) are the main destinations for hake exported from the EU, mainly as whole frozen hake.

5.2.5 Alaska Pollock



The total Alaska Pollock fishing quota for 2021 reduced to 3,181 thousand tonnes (-9%), of which 1,927 thousand tonnes were allocated to the Russian Federation and 1,254 thousand tonnes to the United States.

The EU is fully depending on third country imports of Alaska Pollock, self-sufficiency is 0%. The total supply – and thereby third country imports – accounted to 808 thousand tonnes in 2021, a decrease of 3 percent compared to 2020 (-28 thousand tonnes).

The EU represents a significant and key market for both USA and Russian Alaska pollock. The most important sourcing countries for Alaska pollock in 2021 were USA (38%), China (35%) and Russia (25%). Important to know is that over 95% of the Alaska pollock imported from China has a Russian origin.

Russian Federation pollock producers increased their focus on EU. Especially MSC certified Alaska pollock finds its way to the EU.

The industry benefits from a significant Autonomous Tariff Quota (ATQ) allowance in Alaska pollock (09.2777), which is the largest single ATQ assignment. The total ATQ quantity is 340,000 tonnes and was 78% used at the end of 2021 (93% utilisation in 2020).

94% of the Alaska pollock imports in 2021 consisted of frozen fillets, followed by frozen Alaska pollock meat (6%).

Germany is the main importer of Alaska Pollock, followed by Poland, France and the Netherlands. Alaska pollock is also an important source of frozen surimi. Import volumes of frozen surimi are not mentioned in this chapter and are studied separately.

Only a small amount of Alaska Pollock is re-exported outside the EU, especially to the surrounding European countries like Switzerland, UK and Norway. Haddock

Haddock

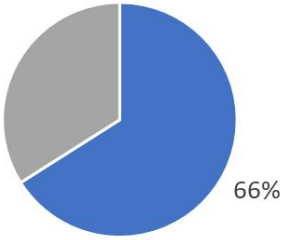
EU-supply

2021
45k tonnes (WFE)

2020 -2021 Trend

Of which imported:
- Whole,frozen:
11k tonnes (WFE) ↓
- Whole,fresh:
9k tonnes (WFE) ↓
- Fillet,frozen:
8k tonnes (WFE) ↓

Import dependance



Country of origin
30k tonnes (WFE)

Norway 52%
Russia 18%
Iceland 13%

Source: Eurostat/Comext; EU Catch Report
Edited by AIPCE-CEP 2022

Most of the EU haddock supply comes from the Barents Sea. In 2021 Barents Sea fishing quota increased to 224 thousand tonnes (before carry over allocation). Haddock TAC for the Barents Sea decreased in 2022 (to 170 thousand tonnes) due to lower stock biomass estimates.

The EU fleet landed 15 thousand tonnes of haddock in 2021, 55% of the available fishing quota. EU self-sufficiency was 34% in 2021.

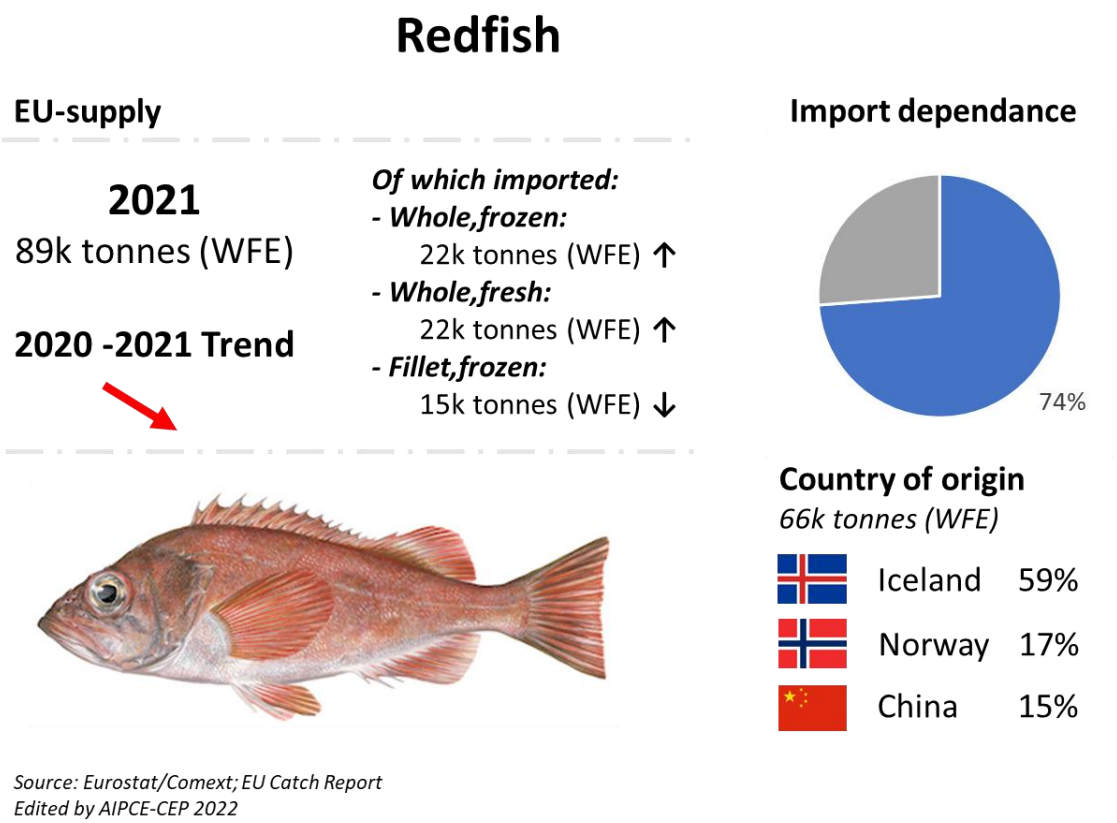
The most important procurement countries for haddock in 2021 were Norway (52%), Russia (18%) and Iceland (13%).

38% of the haddock imports in 2021 consisted of frozen whole haddock and 30% of whole fresh haddock.

Most of the haddock is imported via the Netherlands, Denmark, Sweden or Poland.

There is a modest ATQ for haddock available for EU industry : 3,500 tonnes of H&G haddock at 0% duty (09.2824). In 2021 53% of this quota was utilised (93% utilisation in 2020). It is questionable if the amount of 3,500 tonnes is high enough for covering the industry demand when growth is factored in. Halfway 2022 the quota was utilised for 77% already.

5.2.6 Redfish



Source: Eurostat/Comext; EU Catch Report
Edited by AIPCE-CEP 2022

In 2021 EU supply of redfish was around 89 thousand tonnes, comparable with supply in 2020 (90 thousand tonnes). Around a quarter (23 thousand tonnes) of this supply came from the EU fishing fleet. The other three fourths of redfish (66 thousand tonnes) were imported, mainly from Iceland (59%), Norway (17%) and China (15%).

Redfish are imported into the EU via the Netherlands, Denmark, Germany and Ireland. Via these countries redfish are processed and/or (re-)exported to other EU-countries, especially Spain, Portugal, France and Germany.

Mainly whole frozen redfish (around 22 thousand tonnes in 2021) from both third country import and domestic production were exported to third countries like Korea, Cameroon, China and Japan.

Almost all the supplying countries for redfish are EFTA Members States. In order to remedy the consequences of the withdrawal of the UK from the EU as regards the loss of preferential status of the British overseas countries and territories and to remedy the consequences of the expiry of the additional protocols with Norway and Iceland, a new ATQ regulation entered into force and applied from 1 January 2021, representing 1,3 thousand tonnes of fresh redfish fillets for the period from 1st of May 2021 to 30th of April 2022. For the period from 1st of May 2022 to 31st of October 2022, the ATQ for redfish fillets is 650 thousand tonnes.

Frozen whole redfish is responsible for 34% of the redfish import, followed by fresh redfish whole (33% of the redfish imports) and frozen fillets and (23% of the redfish imports).Hoki

Hoki

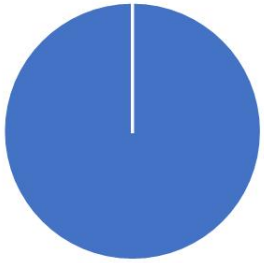
EU-supply

2021
45k tonnes (WFE)

Of which imported:
- Fillet,frozen:
45k tonnes (WFE) ↑

2020 -2021 Trend

Import dependance



100%

Country of origin
45k tonnes (WFE)

New Zealand 89%

China 11%

Source: Eurostat/Comext; EU Catch Report
Edited by AIPCE-CEP 2022

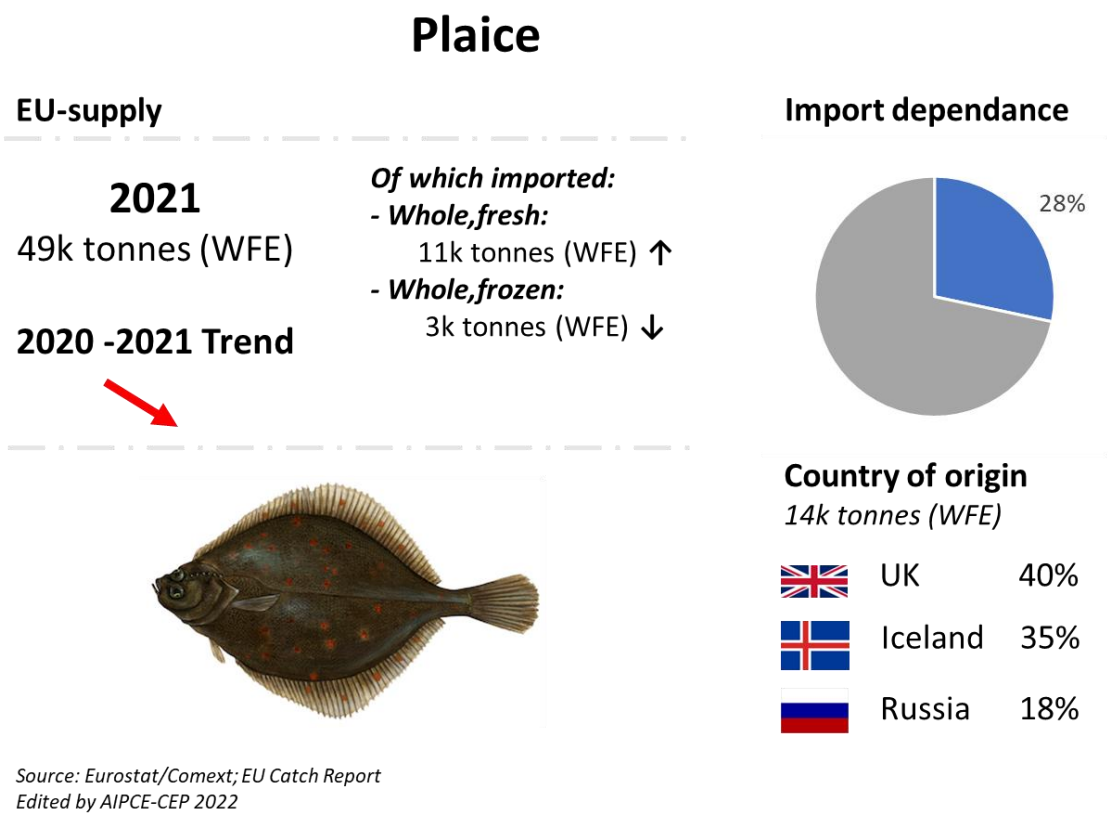
In 2021 hoki EU supply increased to 45 thousand tonnes, +17 thousand tonnes compared to the year before (+58%). There is no EU catch for hoki so EU is 100% import dependent.

The most important procurement country for hoki is New Zealand. In 2021 89% of all EU import came from this country. Import from China reached 11%.

There is an ATQ allowance available for hoki, under the form of frozen hoki fillets and meat for processing (09.2761) with a limit of 17,500 tonnes duty free import allowance.

Most hoki is imported via Poland or France. Frozen hoki fillets are responsible for almost all the import volume. Practically all hoki stays into the EU after import.

5.2.7 Plaice



European plaice (*Pleuronectes platessa)* is an important species in European waters that has been exploited for centuries. Most of the European plaice is caught in the greater North Sea area (ICES area III^{ab}, IV^{abc}, VII^{de}).

European plaice processing finds place in especially Northern European countries with the village Urk (Netherlands) as flatfish hub. However, decreasing landing volumes put this industry under pressure.

The EU plaice supply shows a decreasing trend for many years. Despite a very high fishing quota for plaice of 90 thousand tonnes (2021) the utilisation has fallen to a level of only 39% in 2021. EU catches decreased by 1/4t^{h} in 2021 compared to 2020, to 35 thousand tonnes. Compared to the 10-years average, the EU production decreased of over 55% in last year. In this number we need to consider UK landings for the years 2012 to 2019.

EU policy does not help to improve the fishing quota utilization and secure domestic food production. The wish for an increased amount of Marine Protected Areas (MPA) and windmill parcs decrease fishing areas (and thereby the perspective) for the EU fishing fleet.

Increased fuel prices due to the Ukraine-Russia war on the other hand does not make it beneficial for an important part of the fleet to go out of the port and fish.

Lack of perspective in EU fishing policy and increased production costs will stimulate a decommissioning of the EU fleet and thereby a further decrease in domestic plaice production and fishing quota utilisation.

To fulfil the EU market demand for flatfish, like European plaice, solutions should be found to optimize the EU fishing quota utilisation on the one hand and to stimulate third country imports on the other hand. Lack of raw materials will end in losing market perspectives.

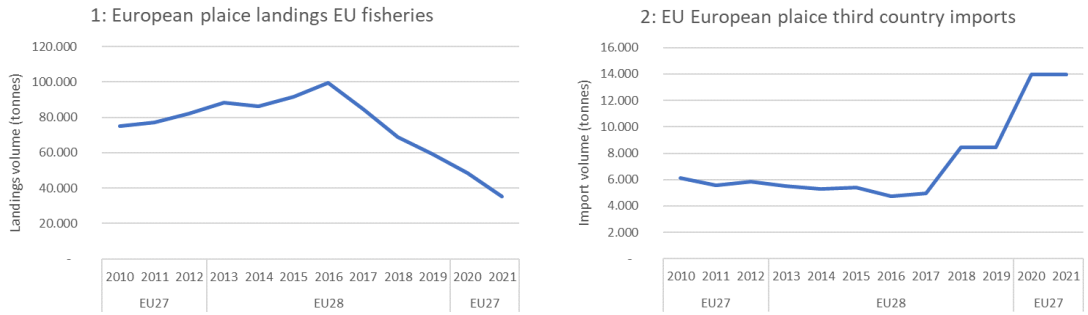


Figure 5.2.2: EU European plaice landings, year 2010-2021 / Figure 2: EU European plaice country imports, year 2010-2021

The EU self-sufficiency for plaice is high. In 2021 72% of all plaice came from EU fisheries (78% in 2020). The import dependency increased compared with previous years. Beside decreased EU landings volumes the exit of the UK is another important reason for this. Plaice from UK flagged vessels landed into EU harbours are now seen as third country imports. Import volume increased from 8 thousand to 14 thousand tonnes between 2019 and 2020 due to this development. UK is now the main source of European Plaice imports to the EU, with 5.6 thousand tonnes in 2021 (40% of total), followed by Iceland (35% of total) and Russia (18% of total).

There are ATQ allowances for flatfish fillets (09.2778) and whole flatfish (09.2503) available for EU industry. The flatfish imported via these ATQs are not European plaice but additional or complementary flatfish species. The ATQ allowance for flatfish fillets was fully utilised in recent years (also after a quota lift up to 10,000 tonnes in 2020). Quota was already fully utilized far before the end of the year (October 2021).

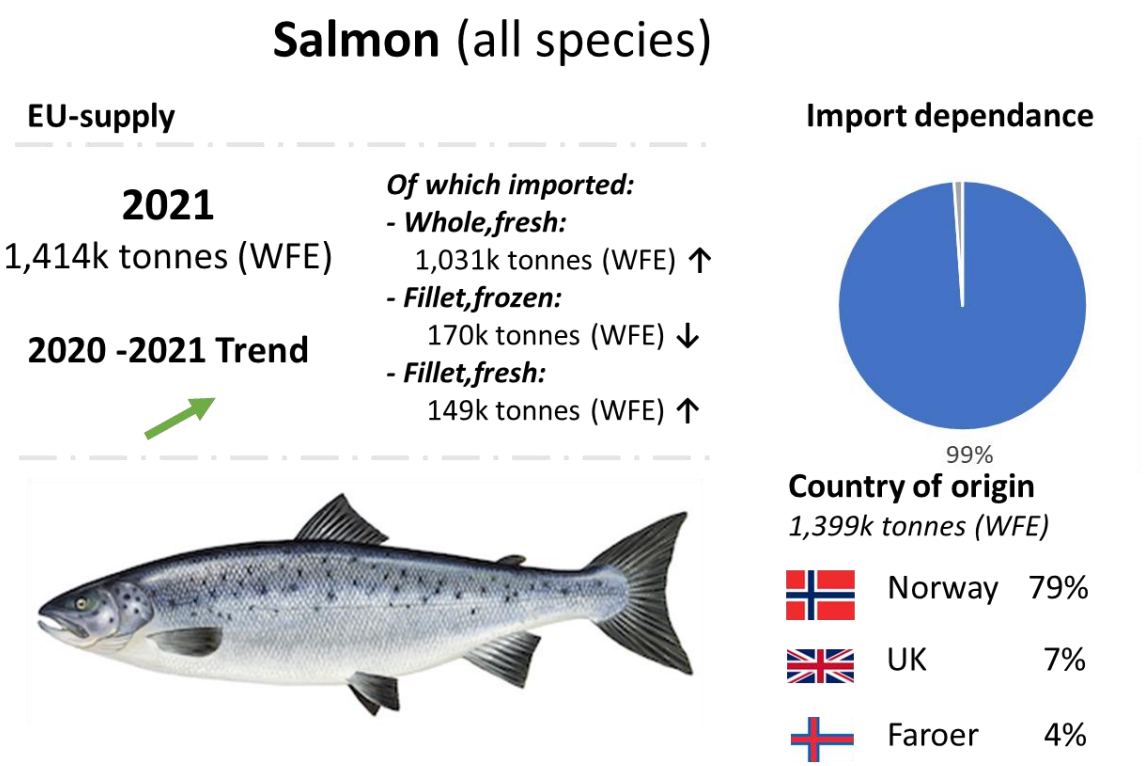
The new introduced ATQ for whole frozen flatfish (7,500 tonnes) is not fully utilized yet. It is a new quota that needs to find the way to the processing industry. Compared with 2021, the introduction year of this quota, quota use increased in 2022 with already a higher quota use in August 2022. This uptake will increase and this ATQ expected to be insufficient in the coming years if domestic production of European plaice stays low.

Fresh whole plaice are responsible for 79% of the European plaice imports, followed by frozen whole plaice (20%).

To fulfil consumer demand and keep the flatfish market sustainable energy need to be put in getting the raw materials for EU industry. This should be done two sided. Effort should be made on optimizing the fishingquota utilisation for European plaice and third country imports should be stimulated. It is up to the Commission and industry to find the right way how to keep European place and flatfish as a healthy product in the EU seafood market and contribute to food security.

5.3 Other fish species

5.3.1 Salmon



Source: Eurostat/Comext; EU Catch Report; FEAP
Edited by AIPCE-CEP 2022

Salmon is the most consumed seafood specie in the EU. From all salmon species, Atlantic salmon is the most important one. The total EU salmon supply increased to 1,414 thousand tonnes in 2021 (+2%; +23 thousand tonnes). Since the UK – an important producer of Atlantic salmon - left the EU almost all salmon comes from outside the EU-27 (99%).

Fresh whole salmon is responsible for 74% of the total salmon imports, followed by frozen salmon fillets (12%) and fresh salmon fillets (11%).

An increasing amount of salmon is imported as raw material for processing in the EU-27. Most of the raw materials come from EFTA Member states, like Norway, Iceland and Faroe Islands. Especially imports from Norway are of high importance, accounting for 79% of total salmon supply in 2021 (and 87% of the total whole fresh salmon supply in 2021). Norwegian salmon creates more jobs in the EU than it does in Norway. The import of 1,104 tonnes of Norwegian salmon to the EU-27 generates thousands of direct jobs for the EU seafood processing industry.

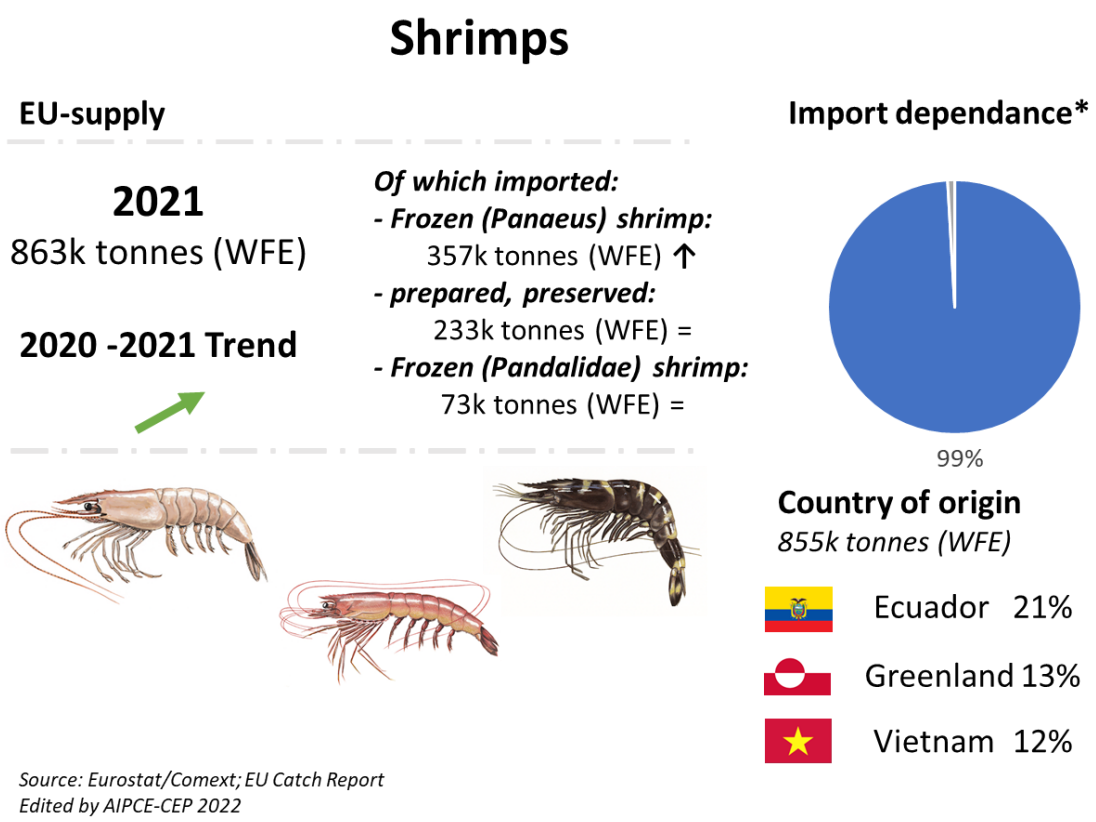
Salmon from Norway enters the EU-27 especially by road via Sweden, Denmark and Poland, where the fish are processed and/or further distributed throughout the EU-27. Processing in the EU-27 is an interesting option for Norway, considering labour cost in the EU is much lower, the import of unprocessed products will cost less import duty compared to processed products, and whole skin on salmon retains its quality better than processed products. Traditional EU wild caught processing plants are forced to diversify their processing assortment to stay solvent due to shortage of EU production. Salmon has become an essential processing species for these plants in especially Poland, Netherlands, Belgium, Denmark and France. Filleting and cold/warm smoking are the most important processing steps.

UK became an important new third country where salmon products were imported from into the EU-27. Materials are mainly originated from Scotland mariculture of Atlantic salmon. 81% of 98 thousand tonnes imported from UK consisted of whole, fresh salmon.

COVID-19 didn't affect the consumption of salmon that much, because salmon has the benefits of being part of a stable well established retail assortment. Consumers were still able to buy salmon during lockdown and prepare it at home.

There is an ATQ allowance available for frozen wild caught pacific salmon H&G, and fillets (Council Regulation (EU) 2020/1706). The total quota volume is 10.000 tonnes. However, utilisation was relatively low in 2021, around 37%.

5.3.2 Shrimp



**excluding EU non-quota species*

The total EU shrimp supply accounted to 863 thousand tonnes in 2021. This is excluding the non-quota species like brown shrimp (*Crangon crangon)*. From this supply, 855 thousand tonnes of shrimp were imported from third countries and 8 thousand tonnes came from shrimp fisheries under fishing quota management in the EU. This shows that the EU is heavily depending on imports for shrimp.

Most of the shrimp were imported from Ecuador (21%; farmed white shrimp *Penaeus vannamei*), Greenland (13%; wild Borealis shrimp), Argentina (12%; wild Argentine red shrimp *Pleoticus muelleri*), Vietnam (11%; farmed Pacific white shrimp & black tiger shrimp) and India (9%; farmed Pacific white shrimp & black tiger shrimp).

Most of the shrimp producing third countries that export to the EU do benefit from GSP or a from a free trade agreement (Ecuador, Vietnam and Canada) in force where shrimp are imported under reduced or zero import tariffs.

For cold water shrimp there are three ATQs available for the key *Pandalus* species *borealis*, *montagui* and *jordani* in 2021 (09.2794, 09.2798, 09.2800). Total allowance decreased to 8,5 thousand tonnes due to the introduction of CETA.

Shrimps and prawns of the species *Pleoticus muelleri* have a separate ATQ (09.2826). The quota was already fully utilised at the beginning of the year and is not sufficient to fulfil the demand of the EU processing industry. After the ATQ is exceeded the import duty is 12%. The high import duty and complexity on non-tariff measures will shift processing of the Argentinian *Pleoticus muelleri* shrimp to Asia.

Warm water prawns have a separate ATQ (09.2802). In recent years quota was 30 thousand tonnes, that was used up in the first half of the years. For 2019 40 thousand tonnes was agreed and since 2021 there is a quota allowance of 48,000 tonnes. At the end of 2021 87% of the quota was utilised.

Frozen Penaeus shrimp was responsible for 42% of total import in 2021, followed by prepared and preserved (cooked) shrimp (27%).

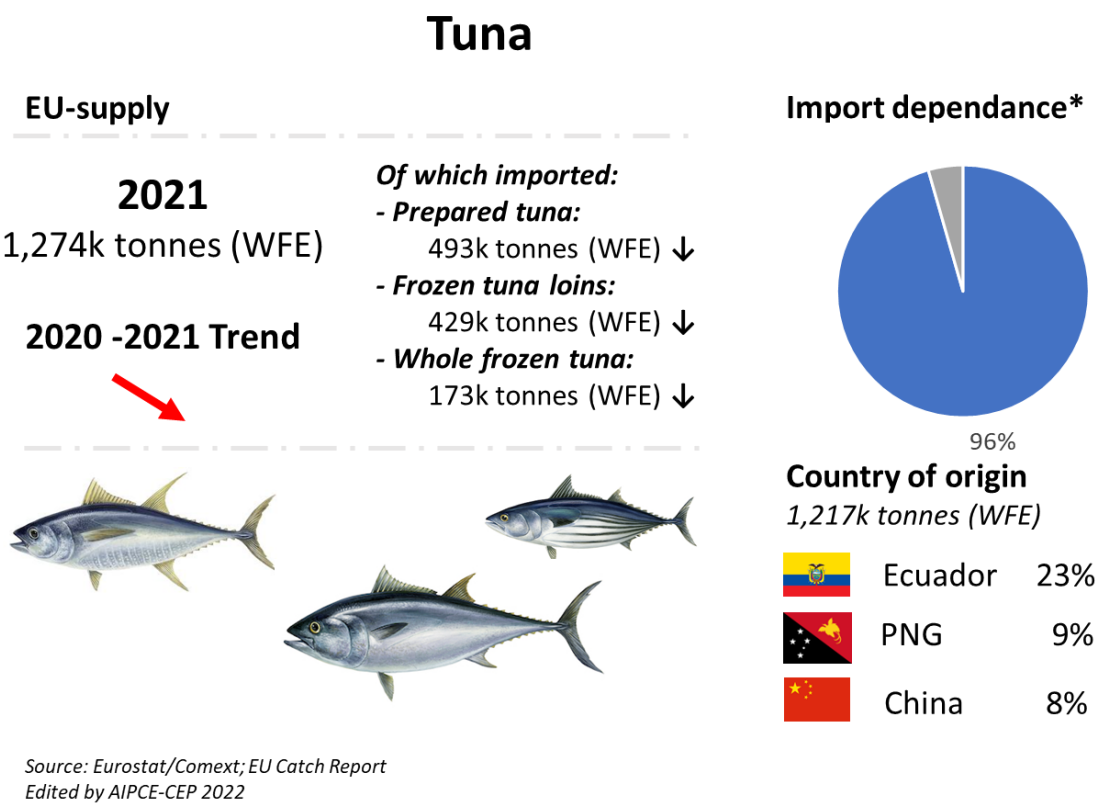
Shrimp products from India and Vietnam are exported into both Southern and Northern Europe as both prepared as whole products. Shrimp from Ecuador are imported into especially the South of Europe as whole raw and unpeeled.

Argentine red shrimp are imported mainly by Spain and Italy for the Southern European market.

Borealis shrimp from Greenland and Canada are mainly imported via Denmark and (re-)exported into the rest of the EU.

A part of the EU fishing fleet targets brown shrimp (Crangon crangon). This specie is not covered by fishing quota management under the CFP. Yearly around 30 thousand tonnes of brown shrimps are landed by mainly the Dutch and German fleet, but also the Danish and Belgian fleet. Because brown shrimp is a non-quota specie it is not mentioned in the import dependence graph. This causes an underestimation of the self-sufficiency

5.3.3 Tuna



Source: Eurostat/Comext; EU Catch Report
Edited by AIPCE-CEP 2022

**excluding EU non-quota species and aquaculture*

Tuna is one of the top 3 species consumed in the EU. Skipjack tuna and yellowfin tuna are the most important tuna species in terms of volume. Other important species are bigeye tuna, albacore tuna and bluefin tuna.

Total supply of tuna products from third countries accounted to 1,217 thousand tonnes in 2021 in WFE. From this total EU fisheries landed in total 57 thousand tonnes of quota tuna in 2021, which realises a self-sufficiency of 4%. This self sufficiency is an underestimation, where non-quota tuna fisheries and aquaculture of blue-fin tuna is not included.

The EU tuna fishing fleet lands a significant higher amount tuna than the quoted volume mentioned earlier. Total tuna landings by EU vessels are over 500 thousand tonnes. However, the great majority is landed outside the EU. Spain is the number 1 producer, followed by France and Italy. Most of the tuna captured by the EU fishing fleet is landed and exported in ports near to the tropical fishing regions in Western Africa (Ivory Coast, Ghana) and Indian Ocean (Seychelles, Mauritius, Madagascar), where it is processed into tuna cans and then reexported to EU under

preferential trade regimes inherited from the Cotonou agreement, namely the Economic partnership agreements with ESA (Eastern and Southern African) and Western Africa (ECOWAS).

Most important country for tuna in 2021 was Ecuador (23%), followed by Papua New Guinea (9%) and China (8%). Ecuadorian tuna benefit from a free trade agreement between EU and Ecuador.

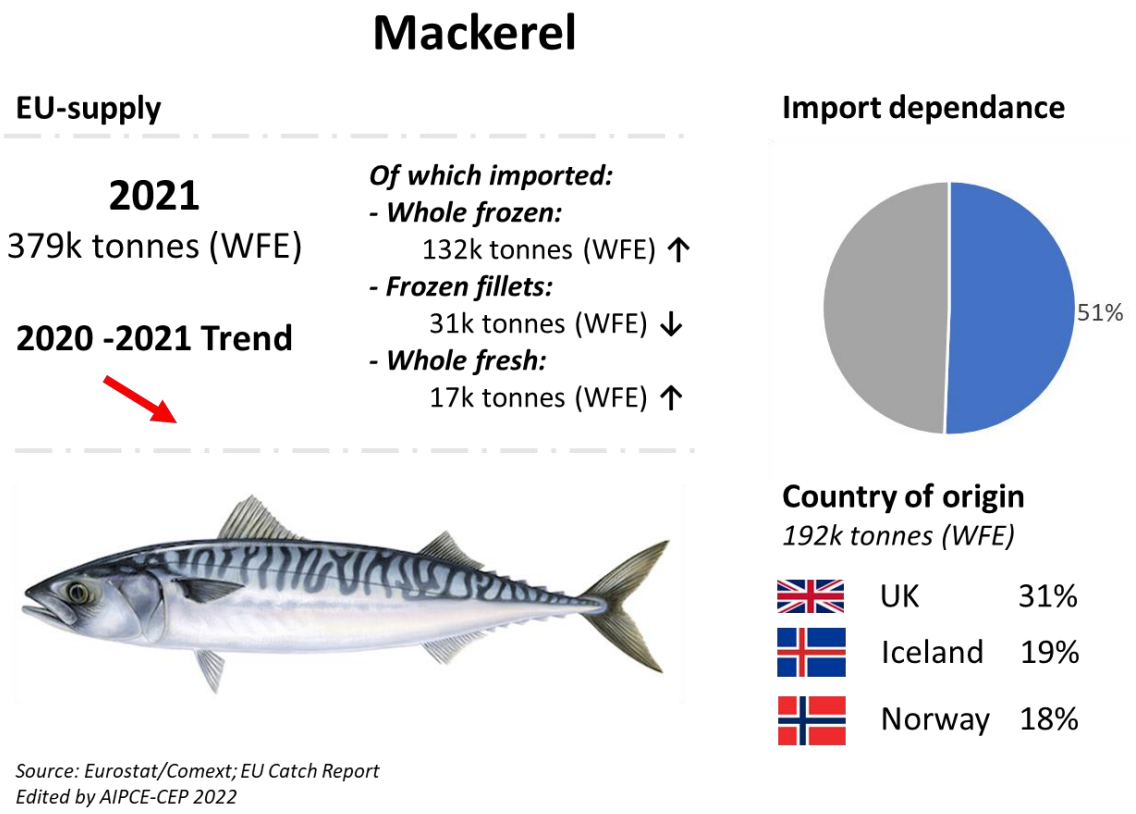
However, the supply of large pelagics such as tuna are governed by complex relationships between the EU and the locale of catch. EU flagged vessels operating under licence in many distant water fisheries which in itself provides substantial employment and fishing activity for EU vessels and processors, as well as employment in local developing counties.

With an average annual production of more than 370,000 tonnes, the EU canned tuna industry supplies only 46% of the EU market, with Spain, Italy, Portugal and France as main producers. It provides 20,140 direct jobs in the EU and 60,660 indirect jobs in the supporting sectors. This industry is mainly located in coastal areas highly dependent on fisheries and fish processing. As the recently EUMOFA report exposed, tuna loins have allowed the canning industry to maintain its competitiveness and its activity in the EU, which otherwise would have faced difficulties competing with factories located near the fishing areas. So it avoided the risk of a delocalization of production facilities outside EU.

There is an ATQ (09.2790) of 35 thousand tonnes for tuna loins for further processing that is exhausted very quickly – within days of opening – but in total actually represents only a small fraction of the total trade.

Most tuna is imported in a prepared format (cans), 40% in 2021. Tuna loins (for canning) represent 35% of total import.

5.3.4 Mackerel



Source: Eurostat/Comext; EU Catch Report
Edited by AIPCE-CEP 2022

Mackerel is one of the most important small pelagic commercial species in the world. The global annual catches of mackerel have totalled around one million tonnes in recent years, with the main catching nations being the EU, UK, the Faroe Islands, Greenland, Iceland, Norway and Russia.

Small pelagics such as mackerel are important species in the EU fishery complex and comprise the largest proportion of the tonnages taken in EU waters under quota species. The EU landed in total 187 thousand tonnes of Mackerel in 2021.

With a percentage of 49% self-sufficiency in the EU is high. The 192 thousand tonnes of mackerel that is imported into the EU comes from especially UK (31%; 59 thousand tonnes in 2021), Iceland (19%; 36 thousand tonnes in 2021) and Norway (18%; 34 thousand tonnes in 2021).

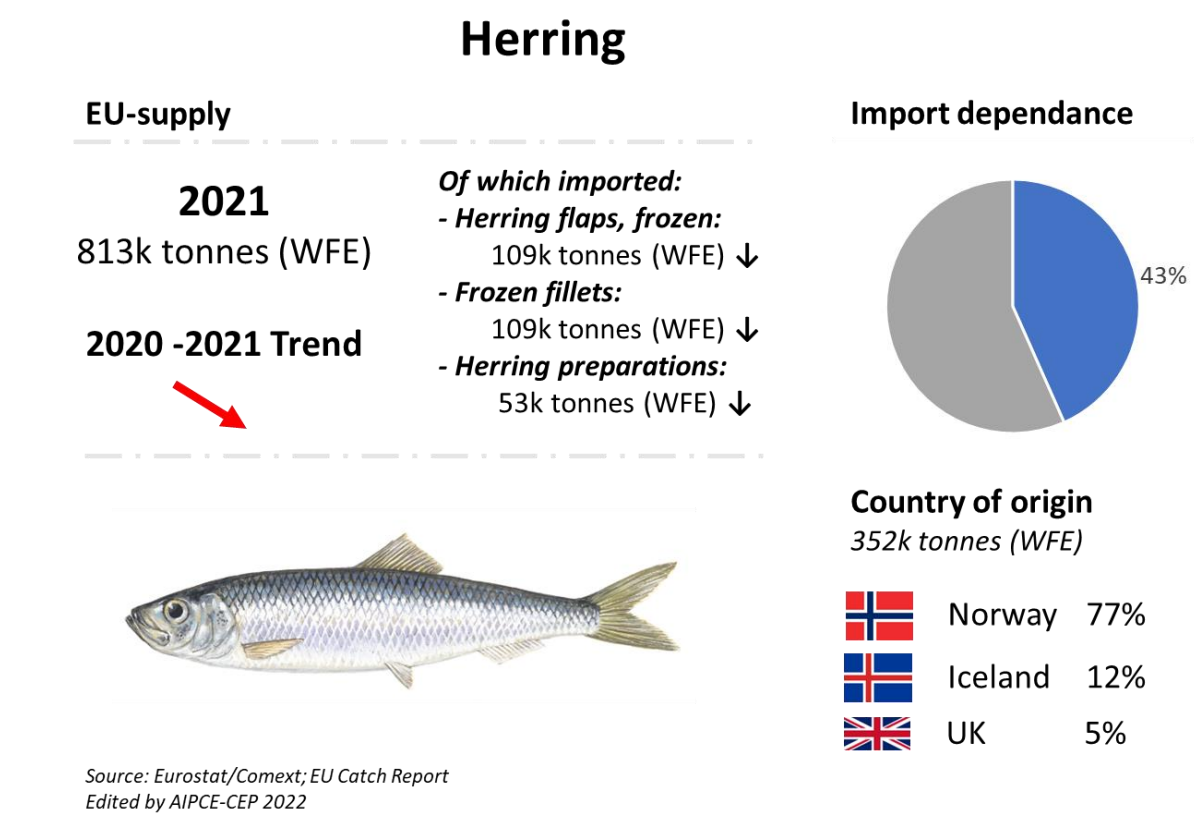
Mackerel from the Northeast Atlantic Fisheries is of high importance for the EU seafood market. Early 2021 Norway and Faroe Islands unilaterally increased their share in mackerel fisheries, which let to new disagreements about fishing rights. This disagreement shows the complexity of a multi-national management of fish stocks. The mackerel stocks in this area were fished at levels beyond the scientific advice and couldn't be sold under the MSC label at this moment.

At the end of 2021 a delegation of the EU, Faroe Islands, Greenland, Iceland, Norway, Russian Federation and UK reached an agreement on the management measures for mackerel for 2022. The TAC (794,920 tonnes) has been set according to the scientific advice from ICES. However, fishing quota were unilaterally increased during 2022 bringing their total to 1,112,000 tonnes; +41%), meaning over the TAC. It is important to reach an agreement regarding fishing quota allocations to prevent having disruptive consequences that will affect the rest of the supply chain.

Almost all the supplying countries for mackerel are EFTA members States. However, there is an ATQ of 5 thousand tonnes (under 5% import tariff) available for chub mackerel (whole, fillets and flaps).

Frozen mackerel whole accounts for 69% of the mackerel imports, followed by frozen mackerel fillets (16%).

5.3.5 Herring



Small pelagics such as herring are important species in the EU fishery complex and comprise the largest proportion of the tonnages taken in EU waters under quota species. The total herring EU supply reached 813 thousand tonnes in 2021.

With a TAC of 531 thousand tonnes in 2021 herring is the largest individual species tonnage caught under EU management and in its waters. The EU self-sufficiency for herring is high with a percentage of 57% in 2021.

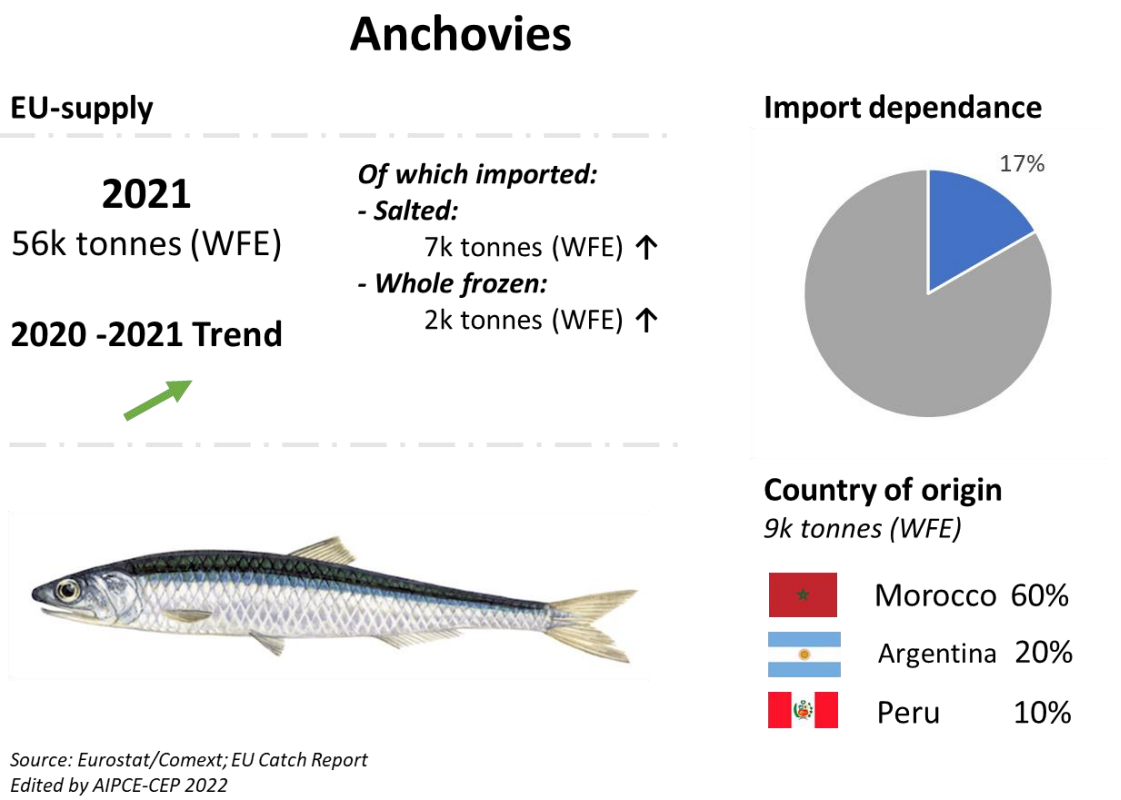
At the end of 2021 a delegation of the EU, Faroe Islands, Greenland, Greenland, Iceland, Norway, Russian Federation and UK reached an agreement on the management measures for Atlanto-Scandian herring in the Northeast Atlantic for 2022. The TAC (598,588 tonnes) has been set according to the scientific advice from ICES.

There are several ATQs available for herring. A quota of 10 thousand tonnes is available for herrings, of a weight exceeding 100 g per piece or flaps of a weight exceeding 80 g per piece, excluding livers and roes, for processing. Another ATQ of 5 thousand tonnes (under 10% import tariff) is available for herrings, spiced and/or vinegar-cured, in brine, preserved in barrels of at least 70 kg net drained weight, for processing.

In order to remedy the consequences of the withdrawal of the UK from the EU as regards the loss of preferential status of the British overseas countries and territories and to remedy the consequences of the expiry of the additional protocols with Norway and Iceland, a new ATQ regulation entered into force and applied from 1 January 2021. In these amending ATQs a quota of 22.5 thousand tonnes of herrings, spiced and/or vinegar-cured, in brine, for processing was added. Other herring quota added were frozen herring for processing (15 thousand tonnes) and fillets (25 thousand tonnes) or flaps (12.5 thousand tonnes) of herring.

Frozen herring flaps were responsible for 31% of the herring imports in 2021, followed by frozen fillets (31%). Norway is the most import third country for herring imports (77%: 273 thousand tonnes in 2021), followed by Iceland (12%; 42 thousand tonnes) and UK (5%; 18 thousand tonnes).

5.3.6 Anchovies



Source: Eurostat/Comext; EU Catch Report
Edited by AIPCE-CEP 2022

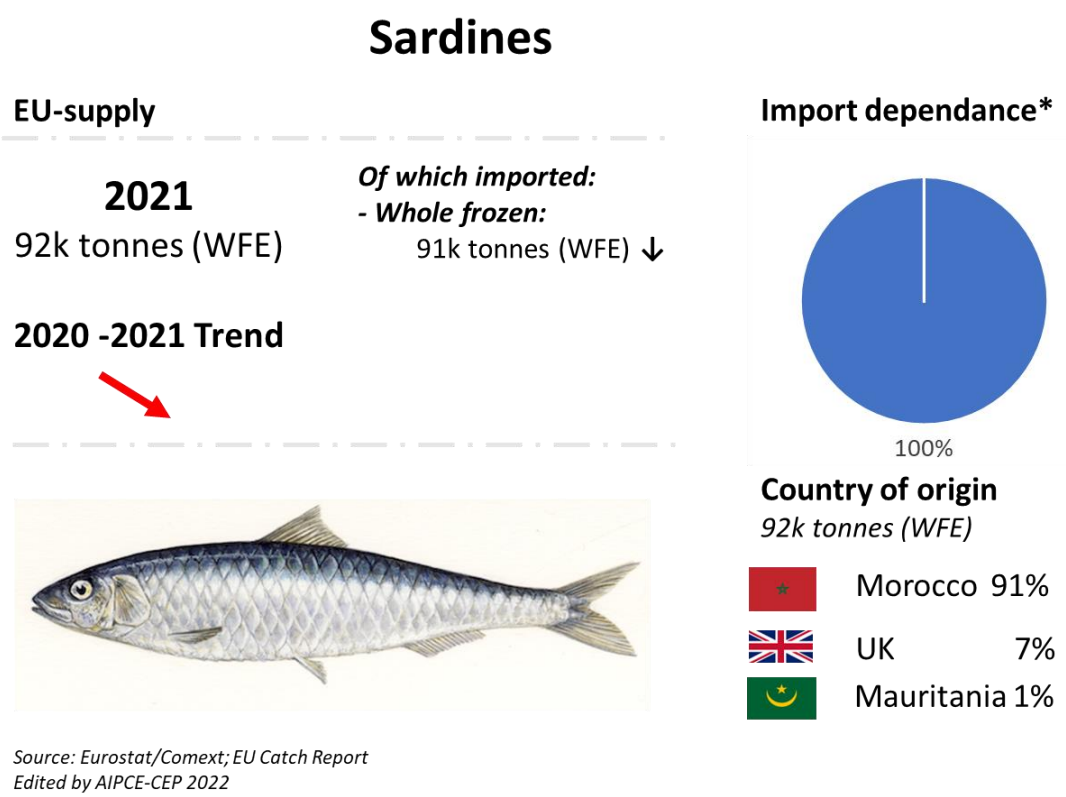
In 2021 Anchovies EU supply increased to 56 thousand tonnes, +10 thousand tonnes compared to the year before (+21%). With a percentage of 83% self-sufficiency in the EU is high. The 9 thousand tonnes of anchovies that is imported into the EU comes from especially Morocco (60%; 6 thousand tonnes in 2021), Argentina (20%; 2 thousand tonnes in 2021) and Peru (10%; 1 thousand tonnes in 2021).

There are two ATQ allowance available for anchovies. Frozen anchovies for processing (09.2754) has a limit of 500 tonnes duty free import allowance. Anchovies salted or in brine (09.2770) has a limit of 1,500 tonnes duty free import allowance.

Salted anchovies were responsible for 78% of the anchovies imports in 2021, followed by whole frozen anchovies (19%).

Most anchovies are processed to especially semi-preserved product in Spain, France and Italy.

5.3.7 Sardines



Source: Eurostat/Comext; EU Catch Report
Edited by AIPCE-CEP 2022

**excluding non-quota EU fisheries*

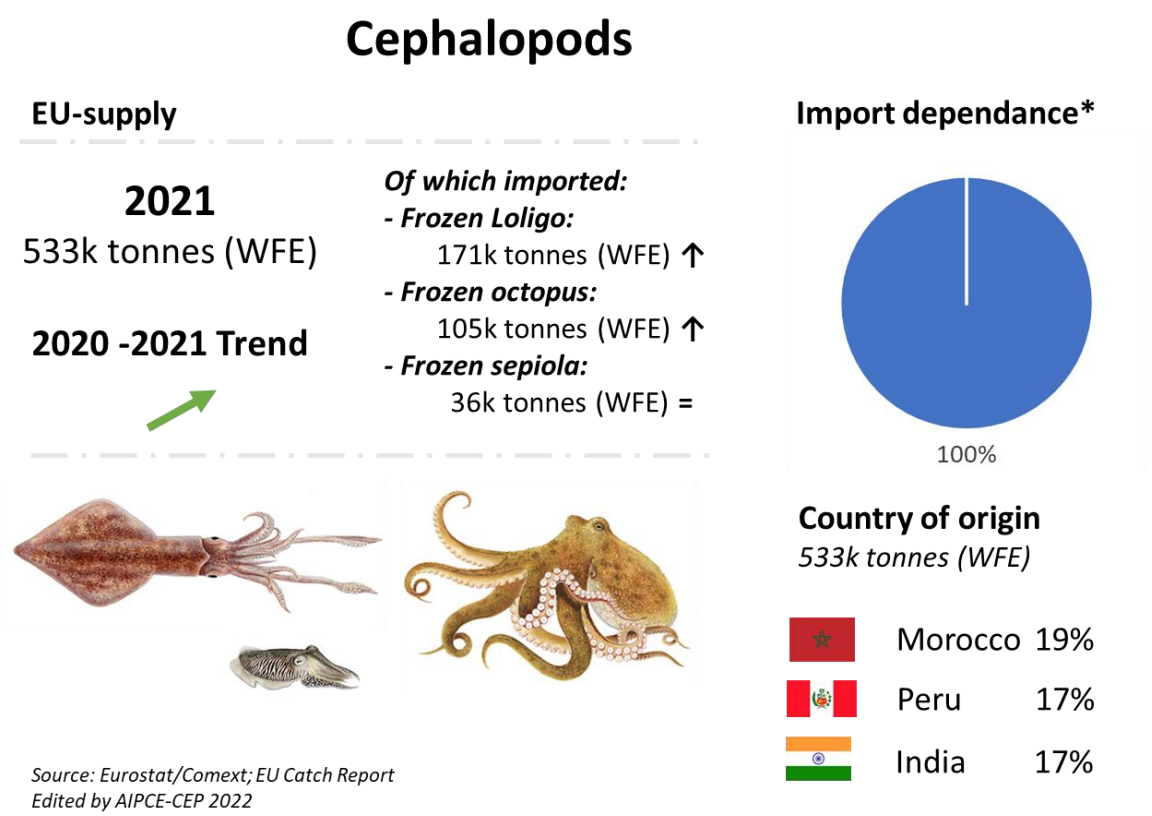
In 2021 Sardines EU import decreased to 92 thousand tonnes WFE, -10 thousand tonnes compared to the year before (-10%), mainly coming from Morocco (91%; 83 thousand tonnes in 2021), UK (7%; 6 thousand tonnes in 2021) and Mauritania (1%; 1 thousand tonnes in 2021).

The EU fisheries are catching sardines but this specie is not covered by fishing quota management under the CFP. Over 150 thousand tonnes of sardines are caught by the Croatian, French, Portuguese, Italian, Spanish and Dutch fleets. Taking this number into account the self-sufficiency for sardines is high for the EU.

There is no ATQ allowance available for sardines.

Whole frozen sardines were responsible for >99% of the sardine imports in 2021.

5.3.8 Cephalopods



**excluding non-quota EU fisheries*

The main products that fall under cephalopods category are squid (*Loligo spp*, *Ilex* spp, *Nototodarus* spp, *Todadores* spp, *Dosidicus spp*) , cuttlefish (*Sepia spp)*, and Octopus *(Octopus spp*). The total cephalopods EU supply in 2021 was 533 thousand tonnes, of which 490 thousand tonnes was frozen.

EU sourcing countries for cephalopods vary depending on the species supplied. For the main species the most important sourcing countries are mentioned below.

Frozen squid (Loligo spp.)

Frozen loligo squid represented 32% of the total cephalopod supply in 2021, around 171 thousand tonnes (+18%; +26 thousand tonnes). 38% of the total frozen loligo squid comes from the Falklands (UK), 21% from India and 13% from Morocco.

Frozen Octopus (Octopus spp.)

Frozen Octopus represented 20% of the total cephalopod supply in 2021, around 105 thousand tonnes (+24%; +20 thousand tonnes). 44% of the frozen octopus comes from Morocco, 16% from Mauritania and 9% from Senegal.

Frozen flying squid (Ilex spp.)

Frozen flying squid represented 7% of the total cephalopod supply in 2021, around 39 thousand tonnes (+23%; +7 thousand tonnes). 42% of the frozen octopus comes from China and 33% from Argentina.

Cephalopods caught in the EU do not fall under a quota system (and thereby not included in the info-graphic above). However, there is a significant fishery on cephalopods in the EU (squid, cuttlefish and octopus), catching around 200 thousand tonnes of cephalopods yearly.

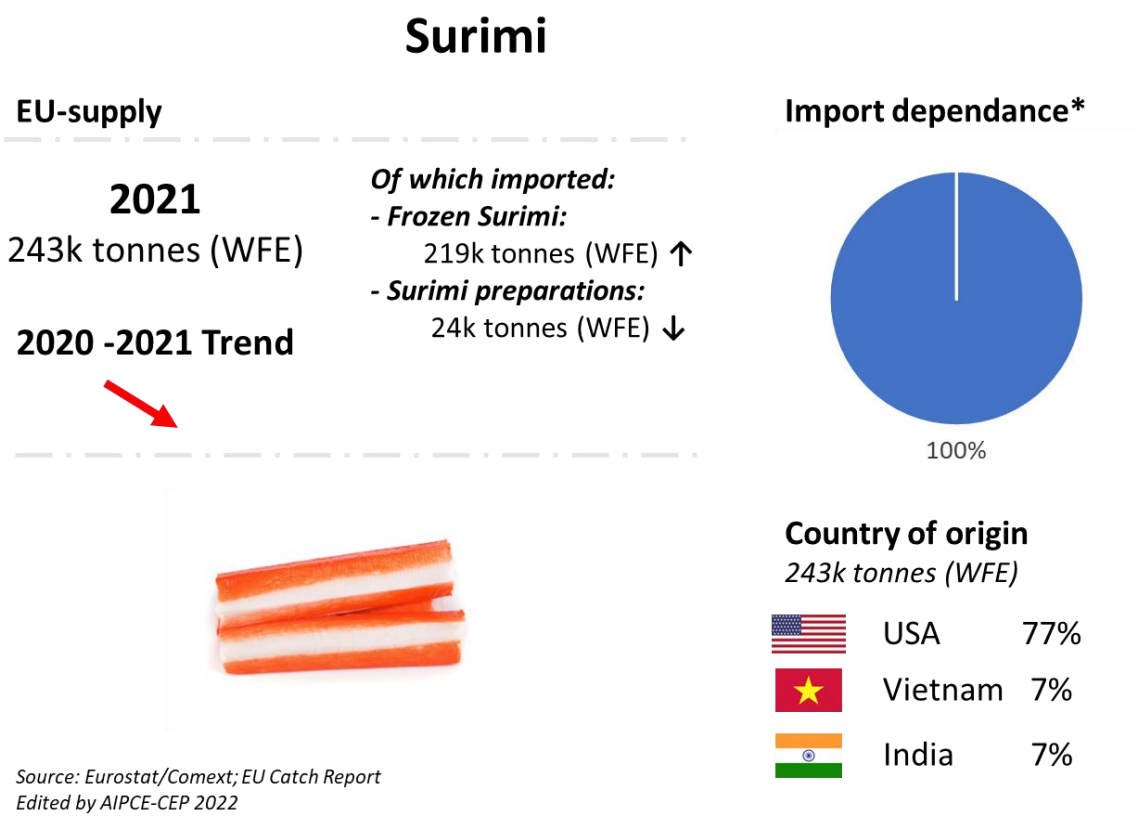
Although there are European catches, these catches are not sufficient to supply the processing industry in Europe. Availability of raw material for the industry is highly dependent on imports, specially, when talking about *Loligo spp.*, *Ilex ssp.*, *Nototodarus spp.*, *Todadores ssp.* and *Sepia spp.*; and even fully dependant for *Dosidicus spp*.

Once the UK is not part of the EU anymore, raw material from UK overseas territories like Falklands are now suffering import duty. Despite the request of the UK Government, the EU declined to allow the overseas territories to be covered by the UK-EU Trade and Cooperation Agreement (TCA).

UK Regulation EU (no) 2020/1706 is the regulation to open and provide the management of autonomous tariff quotas for certain fishery products for period 2021-2023. Main processing for *cephalopods* is to comply with very restrictive conditions to meet this regulation, therefore, most of the *cephalopods* from UK overseas territories are now sent to China and USA. This has a negative impact on the EU processing industry which loses competitiveness in global market. A less restrictive treatment should be allowed as adequate by the European market.

Most of the cephalopods are consumed and processed in the Southern European countries. These countries are familiarized with cephalopods.

5.3.9 Surimi



**excluding EU fisheries for surimi*

Surimi refers to a paste made from fish. Frozen surimi is a concentrate of whitefish. Main species used are Alaska pollock, blue whiting, blue grenadier and Pacific hake.

Surimi base (or frozen surimi in blocks) is sold to food processors, which transform the material with other ingredients to give it texture, taste and color. Most common surimi seafood in the EU is crabstick imitation, but other develop such as baby-eel imitations, or calamar rings imitations. , all ready to eat.

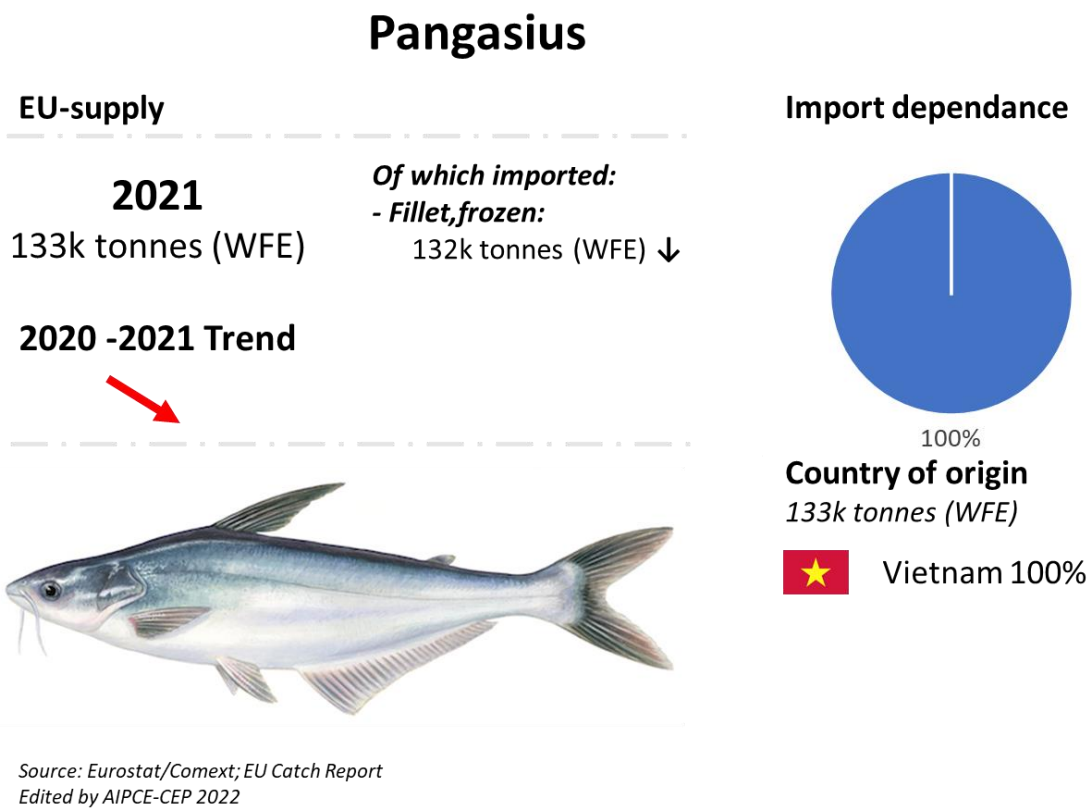
The import volume of surimi (both frozen surimi paste, and surimi seafood) was 243 thousand tonnes WFE in 2021 (-2%; -4 thousand tonnes in 2020). The most important country for surimi in 2021 was USA (77%), followed by Vietnam (7%) and India (7%).

EU has a single fishery realizing surimi paste from blue whiting, under statistical secret. The main surimi processors in the EU are France, Spain and Lithuania. Frozen surimi was responsible for 90% of the surimi

imports. The other 10% of imports in 2021 consisted of frozen surimi presentation -in other words finished products-.

There is an ATQ allowance available for surimi as a raw material for further processing (09.2772). Around 87% of total agreed quantity (60 thousand tonnes) was utilised in 2021.

5.3.10 Pangasius



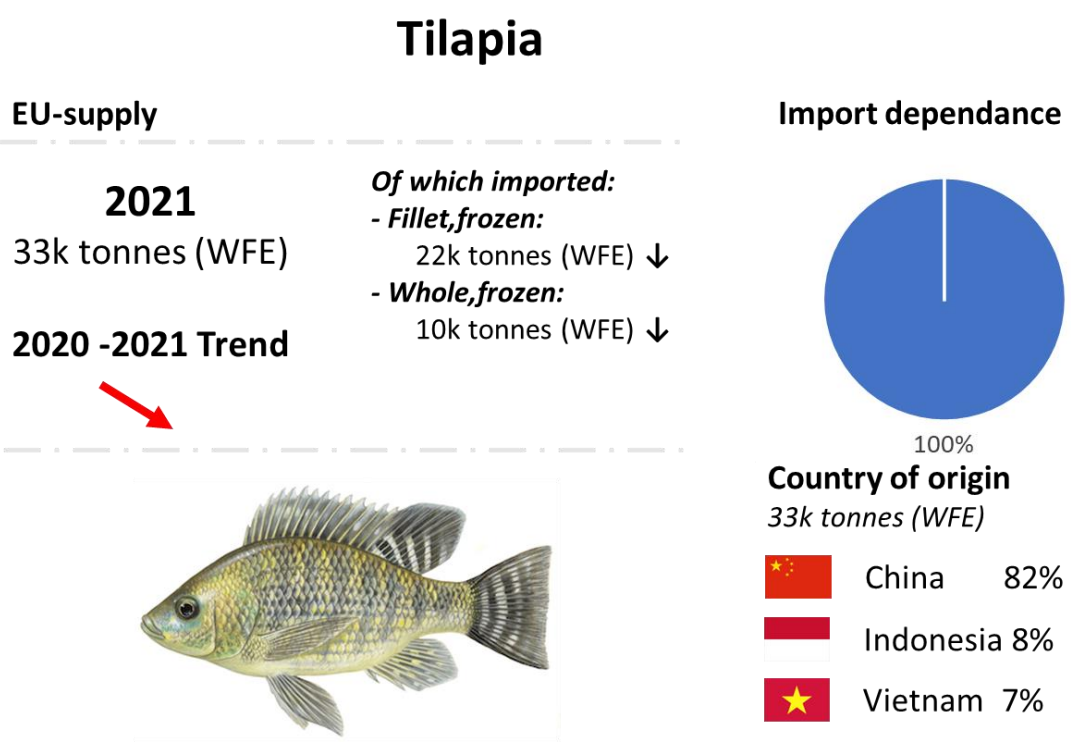
Source: Eurostat/Comext; EU Catch Report
Edited by AIPCE-CEP 2022

Pangasius is one of the key cultivated finfish species across the globe. The EU market actually represents only a tiny percentage of the consumption. Pangasius has been declining sharply in EU consumption and is now less than 20 percent of its historical peak.

EU pangasius supply continued to decrease to 132 thousand tonnes in 2021 (-17%; -28 thousand tonnes). There is no EU production for pangasius. EU self-sufficiency is 0%.

Pangasius is an aquaculture product, mainly produced in Vietnam. >99% of the import volume in 2021 came from this third country (132 thousand tonnes). Almost all pangasius was imported as frozen fillets (>99%).

5.3.11 Tilapia



Source: Eurostat/Comext; EU Catch Report
Edited by AIPCE-CEP 2022

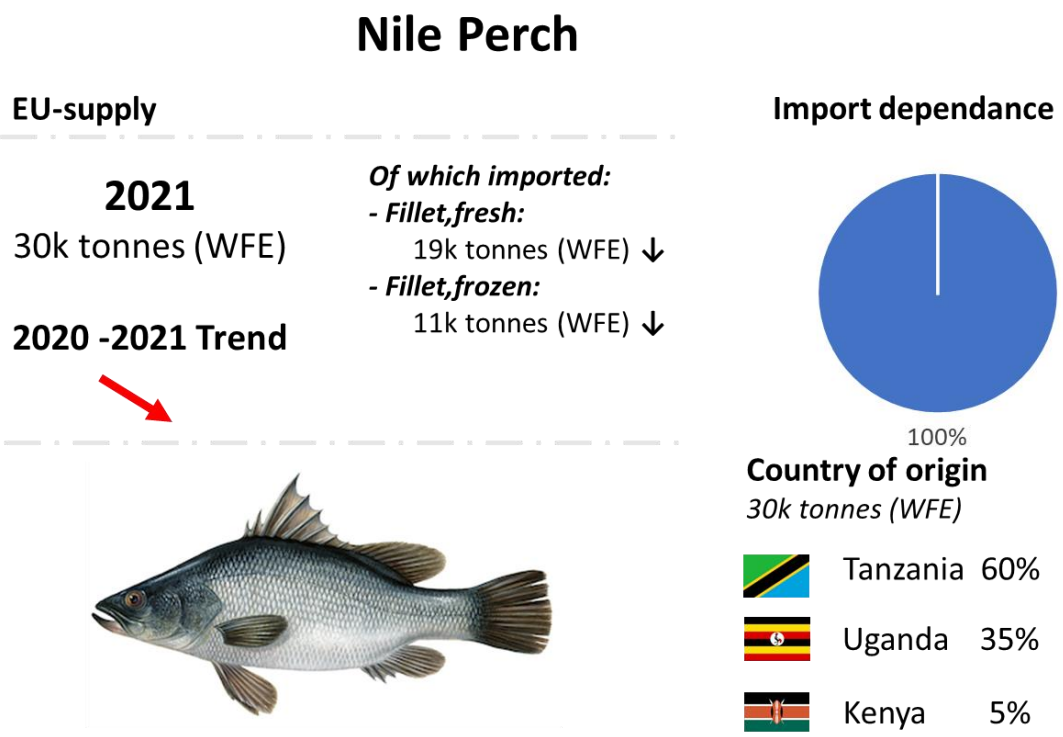
Tilapia is one of the key cultivated finfish species across the globe second in scale only to Chinese carp. The EU market actually represents only a tiny percentage of the consumption. Tilapia has a global supply of several million tonnes yet the EU, by AIPCE-CEP estimates, consumes only around 33 thousand tonnes or about 1% of global supply in 2021.

There is practically no EU production for tilapia. EU self-sufficiency is negligible.

Tilapia is an aquaculture product with production in several regions of the world. 82% of the EU import volume in 2021 came from China (27 thousand tonnes). Other important countries were Indonesia (8%) and Vietnam (7%).

Most of the tilapia was imported as frozen fillets (68%), followed by frozen whole tilapia (32%).

5.3.12 Nile perch



Source: Eurostat/Comext; EU Catch Report
Edited by AIPCE-CEP 2022

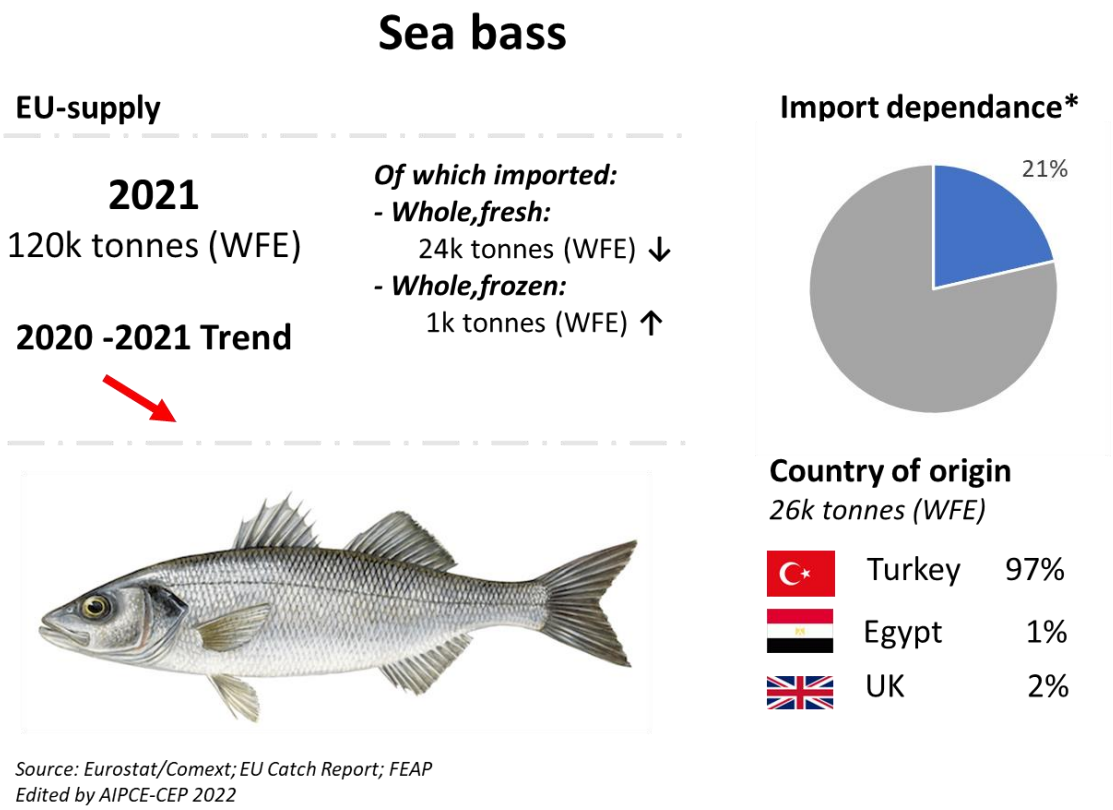
Nile perch is the most important freshwater product imported from Eastern Africa, were it is captured in Lake Victoria. All Nile perch comes from Uganda, Tanzania or Kenya, all 3 coastal countries to the Lake Victoria. The EU imported 30 thousand tonnes of Nile perch in 2021, -24% compared to 2020.

There is no EU production for Nile perch. EU self-sufficiency is 0%.

Most important countries for Nile perch in 2021 were Tanzania (60%; 18 thousand tonnes), followed by Uganda (35%; 11 thousand tonnes) and Kenya (5%; 1 thousand tonnes). Nile perch volumes from all countries decreased, mainly due to the non-available airfreight for fresh Nile perch due to covid.

Still most of the Nile perch was imported as fresh fillets (63%). This product is imported into the EU using the superchilling technique - *a technique that reduces the temperature of fish uniformly to a point slightly below that which is obtained in melting ice* -. Nile perch frozen fillets represented the other 37% of the total EU import in 2020.

5.3.13 Sea bass



Source: Eurostat/Comext; EU Catch Report; FEAP
Edited by AIPCE-CEP 2022

Together Sea bass and Sea bream are two of the most successful species cultivated in the EU. Fish are farmed in sea cages or raceways. There is a very small amount of wild capture of Sea bass.

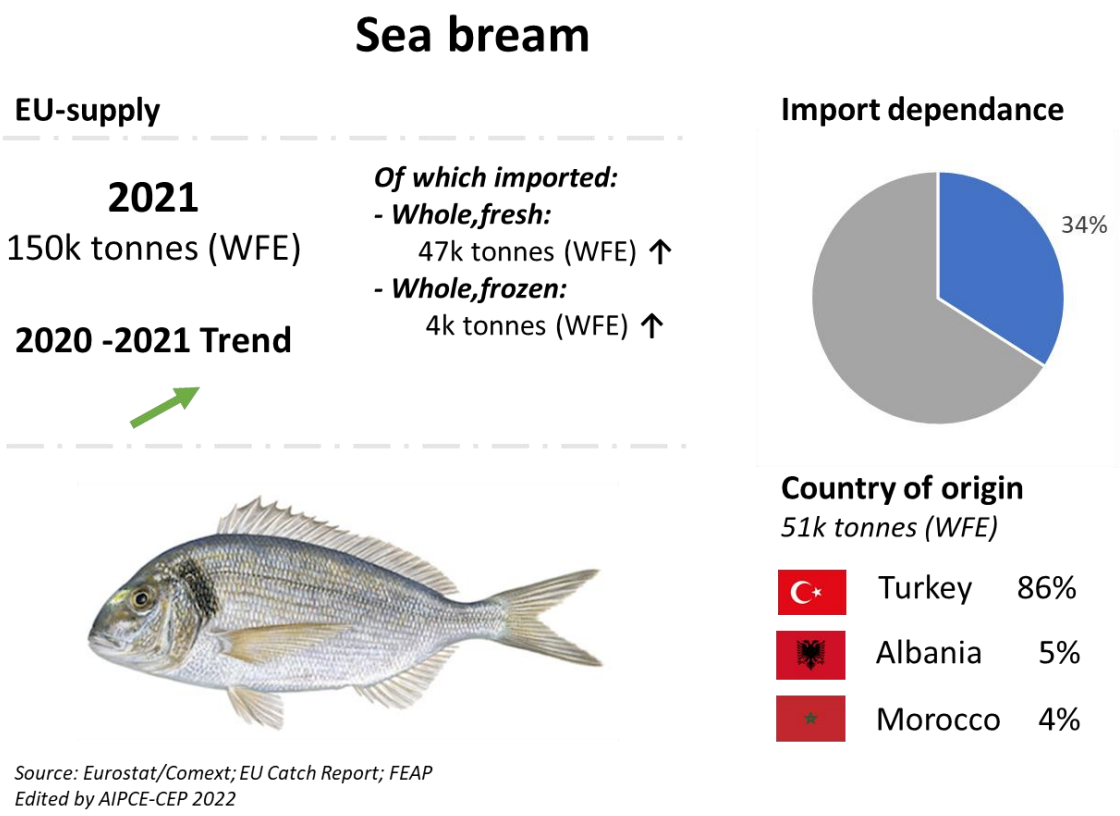
EU cultivated sea bass reached the volume of 94 thousand tonnes in 2021. EU self-sufficiency reached 79%.

The main EU producers of sea bass are Greece, Spain, Italy and France. About Croatia ???

The most important sourcing third country for sea bass in 2021 was Turkey. 97% of all import came from this country.

Most of the sea bass was imported as fresh whole product (96%).

5.3.14 Sea bream



Together Sea bass and Sea bream are two of the most successful species cultivated in the EU. Fish are farmed in sea cages or raceways.

There is a small level of wild capture in Sea bream in the EU. However, most of 99 thousand tonnes EU production (99%) came from aquaculture. Self-sufficiency was 66%.

Sea bream are consumed as whole fish and can be marketed in different sizes (typically around 400-600 grams).

The Main EU producers are Greece, Spain and Italy. Croatia ???

Import volume reached to 51 thousand tonnes in 2021. Most important sourcing third country for sea bream in 2021 was Turkey (86%), followed by Albania (5%) and Morocco (4%).

Most of the sea bream was imported as fresh whole product (93%).

6 In Conclusion

This AIPCE-CEP study is compiled for the benefit and use of AIPCE-CEP members and to help others understand the activities of the organisation AIPCE-CEP. AIPCE-CEP is not liable for any errors in the accuracy of the data or in its representation.

The study has been published since 1992 and provides insight into the changes that have occurred to the seafood market during that time. AIPCE-CEP remains confident that the fish and seafood market across the EU can support a successful and vibrant industry. Imports remain the more prominent part of supply but the opportunity for EU fisheries is substantial. AIPCE-CEP members will continue to work on developing the use of resources from around the globe that are safe, sustainable and properly regulated.

AIPCE-CEP would welcome comments and suggestions about additional topics the reader wishes to see covered in further detail (aipce@kellencompany.com). There are also further publications and commentaries at our website: www.aipce-cep.org.

The Finfish tables can be requested by members via the AIPCE-CEP secretariat (aipce@kellencompany.com).