USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network
Template Version 2.09

Required Report - public distribution

Date: 1/14/2004

GAIN Report Number: E24009

European Union

Fishery Products

Annual Report - EU Policy & Statistics

2004

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Report Highlights:
This report gives an overview of the current situation in the EU fishery sector and provides statistical data on EU fish catches, aquaculture, the EU fishing fleet and imports and exports.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Brussels USEU [BE2]
[E2]

EXECUTIVE SUMMARY

Important decisions on fisheries management are taken each year at the December Fisheries Council. Like last year, the Council had to negotiate fishing quotas against a background of scientists' advice that fishing for cod and other endangered species should be suspended completely. In addition to setting fishing possibilities for 2004, the Fisheries Council had to decide on the establishment of recovery plans for cod and Northern hake stocks. As an alternative to the recommended moratorium on fisheries of endangered stocks, the Commission proposed drastic cuts in fishing possibilities for a number of stocks as well as fishing effort limitations and control measures to ensure their proper implementation

The Fisheries Ministers agreed on the 2004 fishing quotas, a long-term recovery plan for cod, the basic principles for a recovery plan for sole, southern hake and lobster and reached political agreement on a recovery plan for northern hake.

In 2003, EU trade primarily comprised unprocessed fishery products. 81% of total EU fish imports were non-processed fishery products. Due to the severe reductions in catch quotas, the EU fish processing industry is increasingly sourcing fishery products from non-EU countries.

In the summer of 2003, the U.S.' seafood inspection system was audited by the EU's Food & Veterinary Office. The EU inspection team found that the U.S. does not meet the EU's equivalency requirements and recommended the submission of an action plan outlining measures to rectify the deficiencies.

SECTION I: SITUATION AND OUTLOOK

PRODUCTION – GENERAL

EU Fish catches

In 2001, the EU-15 reported catches of 6.2 MMT of fish and fishery products, representing 6.7% of 2001 world catch. Total EU catches went up by 3% compared to 2000. 24% of total EU catches was by Denmark, followed by Spain (18%), the U.K. (12%) and France (11%). Fish catches in 2001 increased in Germany, Spain, Ireland, Italy, Portugal and the Netherlands but decreased in most other member states. About 75% of the EU catches originate in the Northeast Atlantic. The most significant increases occurred in Southwest Atlantic region (42%) and in the West region of the Indian Ocean (37%).

Sandeels, Atlantic herring, sprat and mackerel, mainly intended for the processing industry, are the major species in the EU-15 catches in 2001. Unsurprisingly, as a result of the reduced catch limits, catches of traditional food fish such as cod (-5%) and hake (-26%) decreased again in 2001.

Table 1: Nominal fish catches by the EU-15, 1998-2001, in 1,000 MT live weight

	1998	1999	2000	2001
Belgium	31	30	30	30
Denmark	1 557	1 405	1 534	1 510
Germany	267	239	205	211
Greece	128	119	99	94
Spain	1 231	1 188	995	1 099
Finland	172	145	156	150

France	616	676	690	672
Ireland	361	284	283	392
Italy	320	294	300	312
Netherlands	537	515	496	518
Austria	0	0	1	0
Portugal	225	209	188	192
Sweden	411	352	339	312
U.K.	920	838	746	741
Total EU-15	**6 774**	**6 292**	**6 062**	**6 236**

Source: Eurostat

Table 2: Distribution of EU catches by fishing zones, 2000-2001, in 1,000 MT live weight		
	2000	**2001**
Northwest Atlantic	62	57
Northeast Atlantic	4 622	4 659
Eastern Central	389	472
Mediterranean & Black Sea	568	563
Southwest Atlantic	83	118
Southeast Atlantic	33	22
Indian Ocean, West	148	203
Inland waters	84	85
Total	**6 062**	**6 236**

Source: Eurostat

Table 3: Catches of principal species by the EU, 2000-2001, in 1000 MT live weight		
	2000	**2001**
Common sole	38	40
European plaice	103	102
Cod	179	170
Norway pout	150	64
Haddock	67	64
Blue whiting	347	288
Whiting	53	46
European hake	66	49
Ling	18	18
Saithe	58	60
Sandeel	613	719
Atlantic redfish	33	36
Angler	10	46
Atlantic horse mackerel	219	239
Atlantic herring	682	617
European pilchard	251	244
European anchovy	115	126
European sprat	406	368
Skipjack tuna	155	177
Yellowfin tuna	125	156
Albacore	29	25
Swordfish	24	24
Atlantic mackerel	370	423

Norway lobster	50	54
Edible crab	39	24
Common shrimps	33	32
Blue mussel	128	146
Mediterranean mussel	42	44
Striped venus	39	41
sub-total	4 442	4 442
all others	1 620	1 794
Total catches	**6 062**	**6 236**

Source: Eurostat

Aquaculture

Aquaculture plays an important economic role in the EU. It helps to compensate for the reductions in EU catch quotas and generates jobs in areas which generally lack other industries. Four species dominate EU production: trout, salmon, mussels and oysters. As a result of increased expertise, fish farmers have been turning their attention to more exotic species such as sea bass, sea bream and turbot. Aquaculture projects can benefit from EU financial support.

In spite of its rapid growth in recent years, aquaculture has run into a number of problems such as increased competition and fluctuation in demand. Greater public awareness of environment protection and increased food safety requirements such as the requirements for additives, hygiene, packaging and labeling, has resulted in a more complex regulatory context. New aquaculture projects as well as some day-to-day operations require permissions from various authorities. Technical problems and animal diseases also add to the vulnerability of the industry.

In 2001, the EU-15 produced 1.3 MMT of fishery products from aquaculture, accounting for 17.5% of the total fisheries production in the EU. Major producers are Spain (312 647 MT), France (252 062 MT) and Italy (221 269 MT). Main species produced in the EU are mussels (535 623 MT), rainbow trout (226 549 MT), Atlantic salmon (162 267 MT) and oysters (133 551 MT). Oysters and mussels represent 76% of these three countries' production. The UK is the biggest fish producer: 89% of its total production is of fish.

AQUACULTURE PRODUCTION BY MEMBER STATE – CY 2001 (Metric Tons)	
Belgium	1 630
Denmark	41 573
Germany	53 409
Greece	97 802
Spain	312 647
France	252 062
Ireland	60 935
Italy	221 269
Netherlands	52 064
Austria	2 393
Portugal	7 824
Finland	15 739
Sweden	6 773
United Kingdom	170 516
Total EU-15	1 296 636

Source: Eurostat

Fishing Fleet

In 2002, there were 91,000 fishing vessels registered in the EU. The number of vessels has been reduced by 11% over a five-year period, from 102,000 to 90,595 and by 9% in terms of power. Greece has the largest number of fishing vessels (19,747) but Spain's fleet was the largest in terms of the total tonnage (513,000). Sweden recorded the largest decrease in the number of vessels (-20%), followed by Spain (-17%), Denmark (-15%) and Italy (-15%). Ireland was the only EU member state that recorded an increase in the size of its fleet in terms of number (+12%), tonnage (+19%) and power (+8%). The average age of EU fishing vessels in 2002 was 22.3 years.

EU FISHING FLEET - 2002			
Member state	**Number of vessels**	**Tonnage**	**Engine Power**
Belgium	130	24 276	66 699
Denmark	3 874	97 754	347 476
Germany	2 247	69 490	163 912
Greece	19 747	94 391	606 188
Spain	14 887	512 510	1 257 221
France	8 088	225 997	1 111 330
Ireland	1 448	71 979	210 624
Italy	16 045	214 015	1 289 681
Netherlands	932	200 059	470 031
Portugal	10 427	111 691	401 186
Finland	3 571	17 859	188 800
Sweden	1 820	44 680	224 450
United Kingdom	7 379	243 180	924 218
TOTAL EU	**90 595**	**1 927 881**	**7 261 816**

ENLARGEMENT

On May 1, 2004, 10 countries (Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic, and Slovenia) will join the EU. Seven are coastal states but only Poland and the three Baltic states (Estonia, Lithuania and Latvia) have a large fishing industry. Most of the new member states have an aquaculture sector, including the landlocked countries Hungary, Slovakia and the Czech Republic. The future member states must apply the EU's Common Fisheries Policy rules from the date of accession. After accession, the new countries' interests in regional fishery organizations will be represented by the Community.

Accession Country	**Catches (tons live weight) – 2001**
Estonia	104 994
Latvia	125 433
Lithuania	150 831
Poland	225 062

Aquaculture Production (tons live weight) - 2001	
Czech Republic	20 098
Estonia	467
Cyprus	1 883
Latvia	463

Lithuania	2 001
Hungary	13 056
Malta	1 235
Poland	35 460
Slovenia	1 262
Slovakia	999

Source: Eurostat

PRODUCTION POLICY

NEW COMMON FISHERIES POLICY (CFP)

On January 1, 2003, the European Union's new Common Fisheries Policy entered into force. A 2001 European Commission Report evaluating the fisheries situation in the EU, concluded that the old CFP did not meet its objectives and needed to be reformed. A "Green Paper" was launched to generate a public debate on how to establish a more effective CFP. The Council of Fisheries Ministers agreed on a first set of reform measures in December 2002 (ref. GAIN report E23007).

Due to over-exploitation, several important fish stocks such as cod and hake, are on the verge of collapse. Too few adult fish are left to reproduce and rebuild the stocks. This situation negatively affects fishermen's income, the balance of the marine ecosystem and the supply of fish to the EU market. The aim of the reform is to achieve biologically, environmentally and economically sustainable fisheries.

The new measures impact on several areas of the CFP with the main changes being:

- A long-term approach to fisheries management involving two types of multi-annual plans: recovery plans to help rebuild stocks that are in danger of collapse and management plans to maintain other stocks at safe biological levels. Catch limits in the form of Total Allowable Catches (TACs) will continue to be set annually but will now also take into account the objectives set in the multi-annual plans.

- A new EU fleet policy: fleet capacity will be gradually reduced through an entry-exit scheme and member states have been given more responsibility to ensure a balance between fleet capacity and fishing possibilities.

- Enforcement of the rules: strengthened and more uniform control and monitoring of fishing activities by clarifying who is responsible for what.

- Increased involvement of fishermen and other stakeholders in managing the CFP and in the decision-making process.

SCIENTIFIC ADVICE FOR FISHERIES MANAGEMENT IN 2004

In November 2003, Fisheries Commissioner Fischler presented the European Commission's analysis of the latest scientific advice delivered by the International Council for the Exploration of the Sea (ICES) and the Scientific, Technical and Economic Committee on Fisheries (STECF). According to scientists, cod, whiting and southern hake stocks are in such an alarming condition that an outright ban should be imposed. ICES advised a moratorium on fisheries of cod in the North Sea, Skagerrak, Eastern Channel, Irish Sea and West of Scotland and on whiting in the Irish Sea. In the case of hake from Ireland down to Portugal, ICES recommended rebuilding plans and zero catch for southern hake. Rebuilding plans were also advised for plaice in the North Sea, cod and plaice in the Celtic Sea and sole in the western Channel and Bay of Biscay.

ICES' report was not all negative. North Sea haddock stocks are at the highest level in thirty years and stocks of mackerel and saithe are also in good condition.

Commissioner Fischler concluded that fisheries management by Total Allowable Catches (TACs) alone is not sufficiently effective in controlling the rate of exploitation in mixed demersal (living close to the sea floor) fisheries. Fishing effort has to be controlled to reduce fishing mortality and to rebuild endangered stocks.

OUTCOME OF THE DECEMBER 2003 FISHERIES COUNCIL

Important decisions on fisheries management are taken each year at the December Fisheries Council. Like last year, the Council had to negotiate fishing quotas against a background of scientists' advise that fishing for cod and other endangered species should be suspended completely. An annually repeating ritual is that of fishermen rejecting the scientists' advice saying that they are exaggerating the critical condition of certain fish stocks while scientists argue that fishermen are threatening their own livelihoods by ignoring scientific advice on endangered stocks. In addition to setting fishing possibilities for 2004, the Fisheries Council had to decide on the establishment of recovery plans for cod and Northern hake stocks.

The Fisheries Ministers agreed on the 2004 fishing quotas, a long-term recovery plan for cod, the basic principles for a recovery plan for sole, southern hake and lobster and reached political agreement on a recovery plan for northern hake.

Total Allowable Catches (TACs)

As an alternative to ICES' recommended moratorium on fisheries of endangered stocks, the Commission proposed drastic cuts in fishing possibilities for a number of stocks as well as fishing effort limitations and control measures to ensure their proper implementation. The stocks concerned include certain cod fisheries, northern and southern hake, sole in the Western Channel and the Bay of Biscay and lobster off the Iberian Peninsula. The Commission's strategy to link the adoption of long-term measures to less severe TACs resulted in the adoption of a long-term plan for cod and northern hake and the agreement that recovery plans for sole, southern hake and Norway lobster stocks should be adopted as early as possible in 2004.

Council Regulation 2287/2003 (Official Journal L 344 – December 31, 2003) fixes for 2004 the fishing opportunities and associated conditions for certain fish stocks and groups of fish stocks, applicable in Community waters and, for Community vessels, in waters where catch limitations are required. Annex I to this regulation lists the fishing opportunities applicable for community vessels in areas where catch limitations exist and for vessels from third countries in community waters, by species and by area: Annex IA Baltic Sea; Annex IB Skaggerak, Kattegat, North Sea and western community waters; Annex IC North East Atlantic and Greenland; Annex ID North West Atlantic; Annex IE Highly Migratory Fish (all areas), Annex IF Antarctic.

Council Regulation 2287/2003 can be downloaded from the Internet at http://europa.eu.int/eur-lex/pri/en/oj/dat/2003/l_344/l_34420031231en00010119.pdf.

Effort Limitations

The Fisheries Council also decided to retain and extend the temporary measures imposed last year to protect certain cod stocks until the entering into force of the recovery plan. These measures which already applied in the Skagerrak, Kattegat, the North Sea and west of Scotland will now also include the eastern Channel and the Irish Sea. The number of days that vessels can spend in these areas will be limited proportional to the fishing gear they are using and reinforced inspection and control measures should prevent overshooting of quotas. These measures will become applicable from February 1, 2004.

The table below shows the fishing effort limitations for cod, defined according to fishing gear and fishing area. (Annex V to Council Regulation 2287/2003)

Allocation of days at sea per month	**Fishing Gears**					
Areas	**A**	**B**	**C**	**D**	**E**	**F**
Kattegat, North Sea and Skaggerak West of Scotland, Eastern Channel, Irish Sea	10	14	14	17	22	20

A = demersal trawls, seines or similar towed gears of mesh size equal to or greater than 100 mm except for beam trawls;
B = beam trawls of mesh size equal to or greater than 80 mm;
C = static demersal nets including gill nets, trammel nets and tangle nets;
D = demersal long lines
E = demersal trawls, seines or similar towed gears of mesh size between 70 mm and 99 mm except beam trawls with mesh size between 80 mm and 99 mm;
F = demersal trawls, seines or similar towed gears of mesh size between 16 mm and 31 mm except beam trawls;

A specific fishing effort management regime has also been established for vessels fishing sandeel in the North Sea and Skaggerak (Annex VI to Reg. 2287/2003). Although haddock stocks are at a thirty-year high, special conditions for fishing haddock in the North Sea have been set up to minimize the by-catches of cod.

Long-term Recovery Plans for Endangered Stocks

Short-term decisions had been identified in the Commission's 2001 Green Paper as inadequate to protect a number of fish stocks in need of recovery measures. Under the 2002 CFP reform, it was agreed to apply a precautionary multi-annual approach to fisheries management.

The Fisheries Council finally adopted a long-term recovery plan for cod, proposed by Commission in May 2003 (ref. GAIN report E23072). Political agreement was also reached, pending the opinion of the European Parliament, on a recovery plan for northern hake proposed by the Commission in June 2003 (ref GAIN report E23133). The recovery plans for cod and northern hake were initially included in one single proposal, presented two years ago.

The Council has asked the Commission to propose recovery measures for sole in the western Channel and Bay of Biscay and for southern hake and Norway lobster in the Cantabrian Sea and western Iberian waters, to be adopted as early as possible in 2004. Proposals will also be tabled to incorporate protection measures for cod and plaice in the Celtic Sea, whiting in the Irish Sea and plaice in the North Sea, identified as being in danger of collapse, in existing recovery plans.

The proposal for recovery measures for sole in the western Channel and Bay of Biscay can be downloaded from the Internet at http://europa.eu.int/eur-lex/en/com/pdf/2003/com2003_0819en01.pdf and for southern hake and Norway lobster in the Cantabrian Sea and western Iberian waters at http://europa.eu.int/eur-lex/en/com/pdf/2003/com2003_0818en01.pdf.

Guide Prices

Council Regulation 2326/2003 fixes for the fishing year 2004 the guide prices and Community producer prices for certain fishery products. The guide prices are set annually according to the average prices registered over the previous three years in representative ports. Market intervention mechanisms are activated when the prices of these products fall below a certain level. Intervention measures include financial aid for withdrawing unsold products from the market and storing them until the market has improved or processing them.

Council Regulation 2326/2003 can be downloaded from the Internet at http://europa.eu.int/eur-lex/pri/en/oj/dat/2003/l_345/l_34520031231en00270029.pdf.

WESTERN WATERS – IRISH BOX

Council Regulation 1954/2003 establishes a revised fishing effort regime in the so-called “western waters” which extend from the Atlantic waters around the Canary Islands and the Azores to the north and north-west of Ireland and the U.K. The old regime contained measures to limit fishing effort applicable to all member states and specific provisions limiting the number of vessels from Spain operating in the so-called “Irish Box” as well as specific limits on access to certain Portuguese and Spanish waters. The transitional period involving restrictions on access to certain zones for fishing vessels from Spain and Portugal came to an end on December 31, 2002. With Spain and Portugal now being fully integrated into the CFP, all discriminatory restrictions have been abolished under the new regime. The new regime includes provisions relating to the establishment of limitations of fishing effort deployed on demersal fisheries, the creation of a biologically sensitive area to the south-west of Ireland and the tabling of a Commission report on the general regime in 2006 and on the regime in the biologically sensitive area in 2008.

Council Regulation 1954/2003 can be downloaded from the Internet at http://europa.eu.int/eur-lex/pri/en/oj/dat/2003/l_289/l_28920031107en00010007.pdf.

MEDITERRANEAN FISHERIES

Mediterranean fisheries play an important socio-economic role in the European fishing industry. Around 106,000 fishermen are employed on over 40,000 vessels, representing 42% of the employment in the EU catching sector. On October 9, 2003, the Commission presented to the Council a proposal underlining the worrying condition of many Mediterranean fish stocks. Many of the fish resources targeted in the demersal, pelagic and highly migratory fisheries are overexploited. The proposal includes measures such as progressive increase in mesh sizes or the strengthening of the current ban on certain trawling activities to better protect young fish, specific action for swordfish, the sharing of management responsibility between the EU and member states and the introduction of fishing effort management. As the Mediterranean is not confined to EU territory, fisheries Ministers from the Mediterranean states agreed to increase international co-operation through the General Commission for Fisheries in the Mediterranean (GFCM). The Scientific Advisory Committee of GFCM will draw up concrete proposals on scientific evaluation of shared stocks in the Mediterranean and present them to GFCM at the latest in October 2004.

The proposal can be downloaded from the Internet at http://europa.eu.int/eur-lex/en/com/pdf/2003/com2003_0589en01.pdf.

TRADE AGREEMENTS

The European Commission negotiates fisheries agreements with third countries on behalf of the member states. Fisheries agreements become more and more important due to the imbalance between on the one hand, European demand for fish and the fishing capacity of the EU fleet and on the other, the dwindling fish stocks in European waters. The nature of the fisheries agreement varies in terms of the partner country. Reciprocity agreements - exchanging fishing opportunities in their respective waters - are usually concluded with Northern European countries which have the capacity to fully exploit their resources. With other countries which do not fully exploit their fishery resources, in particular African and Indian Ocean countries, the EU pays a financial contribution to access their fishing zones. Criticism on the EU's CFP being flagrantly incoherent with EU development policy objectives prompted the Commission's publication of a Communication announcing a move from purely commercial arrangements to partnership agreements. The aim of these new partnership agreements is to gradually develop a policy leading to sustainable fisheries while achieving the development objectives.

Agreements with third countries currently in force are:

Northern European Countries	African and Indian Ocean Countries
Estonia	Angola
Faeroe Islands	Cape Verde
Greenland	Comoros
Iceland	Cote d'Ivoire
Latvia	Gabon
Lithuania	Gambia
Norway	Guinea
	Equatorial Guinea
	Guinea Bissau
	Kiribati
	Madagascar
	Mauritius
	Mauritania
	Mozambique
	Sao Tome and Principe
	Senegal
	Seychelles

Source: DG Fisheries

IMPORT POLICY

Third countries exporting fisheries products to the EU must have public health legislation and inspection systems in place equivalent to those in the EU. A guidance document for third country authorities on the procedures to be followed when importing live animals and animal products into the EU was published on the Internet in October 2003. (http://europa.eu.int/comm/food/fs/inspections/special_topics/guide_thirdcountries_en.pdf).

Third countries authorized to export fishery products and bivalve mollusks to the EU are classified into two categories. The first category includes “fully harmonized” countries which have been audited by an EU inspection team and for which a specific decision has been taken under Council Directive 91/493/EEC (directive on production standards for fishery products). A list of establishments (processing plants, factory vessels and freezer vessels) is included in these specific decisions together with the format of the health certificate. The second category includes “pre-listed” countries which, although not yet inspected by the Commission’s Food and Veterinary Office, have supplied sufficient guarantees concerning their inspection systems and sanitary requirements to be judged equivalent. Imports from such countries may only be marketed in the importing member state. In order to move from the “pre-listed” country group to the “fully harmonized group”, the U.S. was audited in the summer of 2003 (see EU audit of U.S. Seafood Inspection System).

Fishery Products

Commission Decision 97/296/EC, last amended by Decision 2003/764/EC, draws up the list of third countries from which the import of fishery products for human consumption is authorized. Currently, part I of this list includes 81 “fully harmonized” countries and part II contains 28 “pre-listed” countries. The validity of part II of the list was set to expire on December 31, 2003 but has been extended by Council Decision 2003/912/EC until December 2005. This two-year extension must bridge the gap between the expiry of Decision 95/408/EC on the drawing up of provisional lists of third-country establishments from which member states are authorized to import certain fishery products or live bivalve mollusks and the entering into force of the Food & Feed Controls proposal which provides for a new procedure to draw up third-country lists. For more information on the Food & Feed Controls proposal, please refer to GAIN report E23032.

Additional requirements relating to residues of medicinal products apply to aquaculture products. Third countries exporting aquaculture products to the EU must be listed in Commission Decision 2000/159/EC, last amended by Commission Decision 2003/702/EC, granting approval on residue plans. The U.S. is included in the list established by 2003/702/EC. Detailed information on maximum residue limits of veterinary medicinal products in foodstuffs of animal origin can be found at http://dg3.eudra.org/F2/mrl/index.htm.

Bivalve Mollusks

Commission Decision 97/20/EC, last amended by Commission Decision 2002/46/EC, establishes the list of third countries fulfilling the required equivalence conditions to export bivalve mollusks, echinoderms, tunicates and marine gastropods. Part I of this list contains 12 fully harmonized countries for which a specific decision has been taken under Council Directive 91/492/EC (directive on production standards for bivalve mollusks) and part II contains 4 pre-listed countries. The validity of Part II of the list was also extended by Council Decision 2003/912/EC with two years until December 31, 2005 (see fishery products).

EU Audit of U.S. Seafood Inspection Systems

Under the Veterinary Equivalency Agreement (VEA), signed by the EU and the U.S. in 1999, the U.S.’ seafood inspection system has to be inspected by the EU in order for the U.S. to move from the “pre-listed” countries group to the “fully harmonized” countries group. The U.S. was scheduled to be included in the fully harmonized category by the end of 2003 and was audited by an EU inspection team in the summer of 2003.

The main findings and conclusions of the mission were presented at a closing meeting in Seattle in July 2003. FDA representatives did not want to comment on the findings of the mission before receiving the EU's draft report. In its draft mission report, submitted in December 2003 to the FDA, the EU identifies certain deficiencies in respect of the standards being applied. The U.S. has 60 days to comment on the factual content and to address the recommendations mentioned in the draft report. These include the submission of an action plan describing the measures taken or intended to be taken to rectify the deficiencies highlighted in the report. The action plan should include a timetable for its completion and a review of the current U.S. establishments approved for export to the EU. The U.S.' comments will be included in the EU's final report.

The adoption of Council Decision 2003/912/EC extends the imports of fishery products from "pre-listed" countries by two years, until December 31, 2005.

IMPORT CONTROLS

Directive 97/78/EC, as amended, lays down principles for veterinary check on products imported from third countries. Inspections of consignments include: documentary check (health certificates), identity check (visual inspection to ensure consistency between certificates and product) and physical check (inspection of the product itself). Directive 2002/99/EC establishes animal health rules governing the production, processing, distribution and introduction of products of animal origin for human consumption.

Each shipment must be accompanied by a health certificate using the model provided by Commission Decision 2001/67/EC for fishery products and by Commission Decision 96/333/EC for mollusks, echinoderms, tunicates and marine gastropods. In the U.S., both the Food and Drug Administration and the National Marine Fisheries Service have the authority to issue certificates for export to the EU.

Commission Decision 2003/858/EC lays down the animal health conditions and certification requirements for imports of live fish, their eggs and gametes intended for farming, and live fish of aquaculture origin and products thereof intended for human consumption. Commission Decision 2003/804/EC lays down the animal health conditions and certification requirements for imports of mollusks, their eggs and gametes for further growth, fattening, relaying or human consumption.

Links to the referenced legislation can be found on our website at www.useu.be/agri/seafood2.html. Information on maximum limits for contaminants in foodstuffs, including fishery products, can be found on www.useu.be/agri/pesticides.html.

IMPORT DUTIES & QUOTAS

Council Regulation 1255/96, amended by Council Regulation 2285/2003, temporarily suspends the tariff duties on certain industrial, agricultural and fishery products which cannot adequately be supplied by EU producers. Due to the EU's strong dependency on imports of fresh products and raw materials for its fisheries processing industry, import duties on the following fishery products have been suspended by Council Regulation 2285/2003 (applicable as of January 1, 2004):

CN Code	Description
0302 69 99 0302 79 98	Sturgeons, fresh, chilled or frozen, for processing
0302 69 99	Lump fish with roe, fresh or chilled, for processing
0302 69 99	Red Snapper, fresh chilled or frozen, for processing

0302 79 98	
0302 70 00 0302 80 90	Hard fish roes, fresh, chilled or frozen
0303 11 00 0303 19 00	Pacific salmon, frozen and headless, for the processing industry for manufacture into pastes or spreads
0304 10 38 0304 10 98 0304 20 61 0304 90 97	Fillets and meat of dogfish, fresh, chilled or frozen
0305 20 00	Hard fish roes, salted or in brine
0306 19 90 0306 29 90	Krill for processing
1604 11 00 1604 20 10	Pacific salmon, for the processing industry for manufacture into pastes or spreads
1604 30 90	Hard fish roes, washed, cleaned of adherent organs and simply salted or in brine, for processing
1605 10 00	Crabs of the species “King”, “Hansaki”, “Kengani”, “Queen” and “Snow”, “Red”, “Rough Stone”, “Mud”, simply boiled in water and shelled, whether or not frozen, in immediate packings of a net content of 2 kg or more
1605 10 00	Crabs of the species Paralomis granulosa

Under the Uruguay Round Agreement, the EU agreed to open tariff quotas for certain commodities. The table below shows the WTO quotas for fish, as published in Annex 7 to the EU’s 2004 Tariff Schedule (Commission Regulation 1789/2003):

Description	Quota Quantity (MT)	Rate of Duty (%)
Tunas (for the canning industry)	17 250	0
Herrings	34 000	0
Silver hake	2 000	8
Fish of the genus Coregonus	1 000	5.5
Fish of the genus Allocyttus and of the species Pseudocyttus maculates	200	0
Cod of the species Gadus morhua and Gadus ogac	25 000	0
Shrimps of the species Pandalus borealis, shelled, boiled, frozen, but not further processed	500	0

The tariff quotas for tunas and herrings only apply if the declared customs value is at least equal to the reference price fixed for the product concerned (see Guide Prices).

To ensure an adequate supply of raw materials for the processing industry, the EU’s Common Market Organization for fishery and aquaculture products (Council Regulation 104/2000) totally or partially suspends tariff duties, for an indefinite period of time, for the following products:

Description	Rate of Duty
Frozen fillets of Alaska pollack	suspended
Frozen meat of Alaska pollack	suspended
Gadus morhua, Gadus macrocephalus (cod) and	reduced to 3%

Boreogadus saida	
Surimi intended for processing	reduced to 3.5%
Frozen fillets of blue grenadier for processing	reduced to 3.5%
Frozen meat of blue grenadier for processing	reduced to 3.5%
Prawns (Pandalus borealis) for processing	suspended

As part of the EU's reform of the Common Market Organization in fishery and aquaculture products, autonomous tariff quotas were opened for the period 2001-2003 (Council Regulation 2803/2000). In order to ensure continuation of supplies for the processing industry after 2003, the Commission has proposed a successor quota regime for the period 2004-2006. The tariff quotas to be opened are restricted to certain products for processing which satisfy the conditions pertaining to the reference prices fixed (see Guide Prices). This means that the reduced tariff will only apply if the value of the imported product is higher than the reference price. The proposal, which still has to be adopted by the Fisheries Council, covers the following tariff quotas:

Description	Quota Quantity	Rate of Duty (%)
Cod livers and fish livers of the species Boreogadus saida, fresh or chilled, for processing	300	0
Cod and fish of the species Boreogadus saida, salted or in brine, for processing	10 000	0
Tubes of squid, frozen, with skin and fins, for processing	30 000	3.5
Squid, frozen whole, tentacles and fins, for processing	1 500	3
Herrings, excl. livers and roes, for processing	20 000	0
Loins of tunas and skipjack, for processing	4 000	6
Herrings, spiced and/or vinegar-cured, in brine, for processing	6 000	6
Shrimps and prawns of the species Pandalus borealis, cooked and peeled, for processing	7 000	6
Cod, excl. lives and roes, fresh, chilled or frozen, for processing	50 000	0
Hake, frozen, for processing	20 000	0

The EU's on-line customs database can be consulted to look up applicable import duties, preferential duties and tariff quotas. This database can be accessed through our website at www.useu.be/agri/customs.html.

MARKETING POLICY

Consumption

EU consumers have a taste for cod, hake and sole, which are endangered fish species. Their unfamiliarity with certain fish species that could be supplied from sustainable fish sources makes them want to stick with the traditional species.

EU per capita supply data for 1999 are the most recent data available.

Per Capita Supply – All Fishery Products (kg/head/year)		
	1998	**1999**
Belgium/Luxembourg	20.2	20.2
Denmark	23.3	23.6
Germany	13.3	12.4
Greece	25.2	24.9
Spain	46.0	44.4
France	30.8	30.2
Ireland	16.0	15.6
Italy	23.2	23.4
Netherlands	22.1	20.5
Austria	11.3	11.4
Portugal	61.3	61.1
Finland	31.5	30.2
Sweden	26.2	27.1
U.K.	20.0	20.0
EU-15	**24.9**	**24.5**

Source: Eurostat

Labeling

Regulation 2065/2001 establishes labeling requirements for fishery and aquaculture products intended for the retail sector. To ensure traceability and control at all marketing stages, the information concerning the commercial designation, the production method and the catch area must be provided on the label, on the packaging or by means of a commercial document accompanying the product, e.g. the invoice. This regulation only applies to products under Chapter 3 of the EU Tariff Schedule (fresh, chilled or frozen fish products) and not to processed products. The regulation can be downloaded from our website at www.useu.be/agri/seafood2.html

Processed products must comply with the EU labeling requirements established in Directive 2000/13/EC. In September 2003, the EU amended the general labeling directive to make the labeling of all potential allergenic ingredients mandatory. The list of allergenic ingredients includes fish and products thereof and crustaceans and products thereof. For more information on allergen labeling, please refer to GAIN report E23186, available on our website at www.useu.be/agri/label.html

TRADE – GENERAL

The EU recorded the world's second highest trade deficit, behind Japan, in fishery products. In value, imports in 2002 totaled EUR 12.1 billion while exports totaled EUR 2.1 billion, a trade deficit of EUR 10 billion. In volume, the EU imported 3.8 million MT and exported 1.4 million MT, a deficit of 2.4 million MT. Norway is still the EU's main supplier of fishery products, accounting for 15.7% of the EU's total fishery products imports. With the exception of Ireland, all EU member states have a negative trade balance in fishery products.

The EU's main trading partners for imports are Norway, U.S., Iceland, Russia, Argentina, Morocco, Faroe Islands, Thailand, Canada, India and China. The EU's main export destinations are Japan, Switzerland, U.S., Russia, Nigeria, Norway, China, Poland, Ivory Coast and Egypt. The EU ban of Chinese shrimps treated with antibiotics resulted in a significant drop in 2002 in EU imports from China (-47% in volume and -51% in value compared to 2001).

Trade – Total EU

In 2002, total EU imports of fishery products amounted to 3.8 million MT. Spain retains its first place as the major importing member state (25%), followed by Denmark (14%), the U.K. (12%), Germany (12%) and Italy (9%). The Netherlands (32%) and Spain (20%) are the biggest exporting member states.

EU trade primarily comprised unprocessed fishery products. 81% of total EU fish imports were non-processed fishery products. Due to the severe reductions in catch quotas, the EU fish processing industry is increasingly sourcing fishery products from non-EU countries. Representing 22% of total EU fish imports, fish fillets and other fish meat (HS code 0304) are the main imported fishery products. Of the major EU importing member states, Spain is mainly importing crustaceans, mollusks and frozen fish (75% of its imports); Denmark fresh or chilled fish (49%); U.K. prepared or preserved fish (36%); Germany fish fillets & other fish meat (62%) and Italy mollusks (37%).

TOTAL EU IMPORTS, BY HS-CODE, 2002			
HS Code	**Description**	**Metric Tons**	**1,000 EUR**
0302	Fresh or chilled fish	568 790	1 562 916
0303	Frozen fish	650 803	1 193 262
0304	Fish fillets & other fish meat	821 134	2 670 932
0305	Dried & salted fish	166 490	857 442
0306	Crustaceans	377 777	2 210 096
0307	Mollusks	482 250	1 310 414
1604	Prepared or preserved fish	586 149	1 655 071
1605	Prepared or preserved crustaceans & mollusks	122 244	667 400
Total		**3 775 637**	**12 127 533**

Source: Global Trade Atlas

Trade – EU/US

In calendar year 2002, the U.S. was one of the main suppliers to the EU of canned salmon, groundfish fillets and lobster. EU imports from the U.S. and its share of total EU imports were as follows: salmon 17,160 MT (6%), canned salmon 23,082 MT (68%), groundfish 15,582 MT (5%), groundfish fillets 83,214 MT (22%), flatfish 324 MT (1%), lobster 6,688 MT (32%) and squid/cuttlefish 12,220 MT (5%).

EU imports of groundfish fillets from the U.S. almost doubled (+90%). Frozen fillets of Alaska Pollack account for 95% of imported U.S. groundfish fillets and were mainly imported by Germany (47,720 MT) and France (14,189 MT).

EU imports of U.S. lobster remained stable while imports from South American countries increased considerably: Cuba (+27%), Bahamas (+28%) and El Salvador, Peru and Nicaragua (newcomers in the top-10 origins).

Although total EU imports of canned salmon decreased by 24%, imports from the U.S. rose by 6% while imports from Canada were halved. EU imports of fresh U.S. salmon dropped by 23%. The U.S.' main competitors are Norway, the Faroe Islands, Canada and Chile, the former representing 81% of the EU's total imports. Increased competition between those countries has led to a decline in prices.

SECTION II: STATISTICAL TABLES

EU-15 IMPORTS AND EXPORTS OF FISH AND FISH PRODUCTS: JANUARY-DECEMBER 2002 & 2001 (Source: Eurostat)

Product: Salmon (excl. fillets) (in Metric Tons)					
Destination	Exports from the EU-15		Origin	Imports into the EU-15	
	2002	2001		2002	2001
U.S.	6 100	5 379	U.S.	17 160	22 260
Japan	1 503	1 794	Norway	216 264	204 039
Russia	923	1 371	Faroe Isles	28 707	31 427
Switzerland	668	531	Canada	3 395	3 196
Czech Rep.	392		Chile	1 586	2 243
Estonia	351		Poland	488	328
Lebanon	328	286	Iceland	328	185
Taiwan	316	232	Colombia	116	190
Belarus	254		China	111	213
Hong Kong	251	254	South Korea	69	
Total third countries	13 237	13 759	Total third countries	268 481	264 451

Product: Canned Salmon (in Metric Tons)					
Destination	Exports from the EU-15		Origin	Imports into the EU-15	
	2002	2001		2002	2001
U.S.	33	56	U.S.	23 082	21 752
Switzerland	89	47	Canada	9 287	21 085
Norway	70	15	Chile	800	805
Estonia	19		Thailand	739	474
Czech Rep.	18	45	Norway	679	787
Chile	18		South Korea	374	466
Russia	16	20	Russia	109	
Hungary	15	25	Iceland	69	109
Thailand	14		Poland	49	
Sierra Leone	11		Ecuador	34	
Total third countries	399	387	Total third countries	35 269	46 255

Product: Groundfish (in Metric Tons)					
Destination	Exports from the EU-15		Origin	Imports into the EU-15	
	2002	2001		2002	2001
U.S.	292	260	U.S.	15 582	20 401
China	1 854		Russia	71 244	72 769
Algeria	1 229	773	Norway	57 226	57 110
Jordan	870	361	South Africa	37 450	37 527
Poland	817	1 037	Faroe Isles	33 283	16 319
Norway	431	317	Namibia	27 516	31 374
Serbia Montenegro	375		Argentina	20 551	13 938
Israel	343		Chile	19 820	21 489
Canada	317		Iceland	11 657	18 452
Lithuania	297		Canada	9 291	
Switzerland	239	222	Poland	3 955	6 350
Total third countries	9 031	7 039	Total third countries	325 292	321 692

Product: Groundfish Fillets (in Metric Tons)					
Destination	Exports from the EU-15		Origin	Imports into the EU-15	
	2002	2001		2002	2001
U.S.	1 050	1 782	U.S.	83 214	43 901
Switzerland	1 224	1 170	Russia	70 758	97 317
Norway	430	589	China	70 247	115 280
Algeria	331	233	Iceland	46 821	45 206
Czech Rep.	321	172	Norway	38 110	40 746
Russia	258		Faroe Isles	22 428	20 369
Poland	214	538	Poland	12 397	16 465
Canada	184	204	Chile	12 231	10 158
China	138		Peru	10 070	15 499
Slovenia	116	72	Latvia	2 045	
Slovakia	103		Greenland	1 884	
Total third countries	5 337	5 980	Total third countries	376 189	415 753

Product: Flatfish (in Metric Tons)					
Destination	Exports from the EU-15		Origin	Imports into the EU-15	
	2002	2001		2002	2001
U.S.	2 287	1 153	U.S.	324	1 027
Japan	8 356	10 517	Norway	7 899	9 146
China	4 490	2 342	Greenland	7 887	7 384
Taiwan	4 455	3 188	Morocco	6 035	6 468
Poland	2 173	2 714	Faroe Isles	3 864	3 238
Hong Kong	882		Iceland	2 793	3 438
St. Ch & Nevis	864		Mauritania	2 554	
Morocco	730	510	Senegal	1 968	2 489
Switzerland	330	356	Russia	1 393	4 197
South Korea	284	553	China	1 181	1 814
Total third countries	26 327	23 432	Total third countries	39 355	46 331

Product: Lobster					
Destination	Exports from the EU-15		Origin	Imports into the EU-15	
	MT	1000 USD		MT	1000 USD
U.S.	27	11	U.S.	6 688	6 860
Japan	349	279	Canada	7 556	8 221
Norway	51	29	Cuba	3 337	2 629
Switzerland	32	69	Bahamas	892	697
Sierra Leone	27		Morocco	272	339
China	25		El Salvador	250	
South Korea	24		South Africa	212	223
Czech Rep.	13		Peru	203	
Poland	13	28	Mauritania	149	
Croatia	9		Nicaragua	120	
Russia	6	12	Ghana	109	167
Total third countries	627	585	Total third countries	20 925	20 861

Product: Squid / Cuttlefish (in Metric Tons)					
Destination	Exports from the EU-15		Origin	Imports into the EU-15	
	2002	2001		2002	2001
U.S.	111	126	U.S.	12 220	14 592
Croatia	4 762	8 768	India	48 507	49 553
Slovenia	1 747	1 803	Thailand	34 363	30 385
South Africa	1 249	1 210	Falkland Isl.	33 076	42 699
Japan	721	941	Morocco	21 852	26 502
Turkey	711		China	14 805	18 482
Algeria	694	363	New Zealand	12 959	14 725
China	568	3 176	Peru	8 114	11 108
Cuba	555	7 858	South Africa	7 144	5 353
Russia	480	297	Mauritania	6 883	
Thailand	465		Vietnam	5 773	
Total third countries	15 439	23 319	Total third countries	242 254	262 229

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