4 DISCUSSION AND CONCLUSION

The projections of future fish consumption are based on assumptions derived from past trends, literature review and expert consultation. More than 1 200 assumptions were made for growth rates in captures, aquaculture, commodity production, imports and exports of commodities. For captures, it is likely that the European vessel production will face zero growth up to 2030. Recent regulations by the European Commission on cod and haddock in the North Sea confirm the high level of stock exploitation and the impossibilities of catch increasing. Aquaculture is growing at some substantial rate for salmon and sea bass and sea bream, but environmental constraints, coastal zone occupation choices by the civil society, and health regulations will not allow fish farming to continue its exponential trends in the future.

The European processing industry will face a major challenge in the near future with imports of competitive processed fish from developing countries produced to high standards of quality and safety. Considering that the European industry will be more and more dependent form third countries for its supply on raw material, it is likely that apart from the regrouping of companies under some consortium umbrella, the fishing industry will suffer from this competition and consequently decline. Imports from third countries will also benefit from the progressive elimination of trade barriers and the disappearance of preferences accorded to ACP countries. For Asian countries this should lead to a reinforcement of their competitive position in the world market.

The report does not raise the question of whether supplying the growing European market will constrain the increasing consumption of different products. The main reason for not considering supply from abroad as a constraint is that average fish prices in the European market are slightly above the international price (except in Japan) and the other high-demand countries like the USA (Karasawa, 1996 and 2000). Consequently the projections implicitly assume that there will be a shift in trade products from other countries to Europe. That already happens with African countries that are part of the ACP group. North West African countries experienced a decline in their net supply in demersal fish over the last ten years to the profit of European countries, mainly Spain, France and Italy. There is still some potential for further exports growth from these countries but with the subsequent negative impact for their fish supply.

Prices have been mentioned in the report but have not been used to adjust the levels of supply and demand. This is because the price series over the period 1989-1998 did not show any major changes and because deflated international prices for the main species since 1950 have been stable. In addition, aquaculture production has provided a ceiling for the price of groundfish species: salmon price are taking more and more the role of reference price for the other aquaculture and wild species. That is, aquaculture species have been a price regulator that has tended to go down with each improvement in feeding technology. That has lead from time to time to some dumping procedures on the European market.

Results have shown an increase in the demand for seafood products to 2030. The average per capita consumption of the EUR-28 will move form 22 kg/c/yr in 1998 to 24 kg/c/yr. The two kilogram increase means that the net supply will have to rise by 1.6 Mt (respectively 1.1 Mt for the 2 extra kg and 550 000 tonnes due to the 22 M extra inhabitants). Aquaculture growth

will not be able to meet the increasing demand so imports will rise to 11 Mt (+15 percent from 1998), increasing the dependency of Europe on the rest of the world.

The adhesion of new countries to the current EU-15 will increase the intra-European trade: firstly because a large part of the external European trade is currently between Western countries and Eastern and Northern countries; secondly because of a delocalisation of Western plants to former Soviet Union countries like Poland or Baltic States, and thirdly because of a reduction of the re-exports mechanism between Western countries. The last point will lead to the suppression of some established fish circuits in order to cut down costs, which more or less are transaction costs. Overall, some direct connections will become established between world producers and the European processing industry.

The increasing demand for ready-to-eat products will be observed everywhere in Europe in 2030 but will be more marked in the EU-15 countries because of their high purchasing power. Changes in consumption are mainly changes in commodities rather than species: the same fish species will be consumed in 2030 but they will be in a different shape. Eastern countries will progressively catch up with the EU-15 countries regarding consumption patterns. The improvement of their economies and changes of consumption habits will slowly allow Eastern countries to develop a market driven by demand rather than by supply. But behind the apparent standardization of consumption, regional differences will still exist: a Spanish consumer will not have the same consumption pattern as a Swedish or a Romanian consumer. National preferences will be exacerbated through the net supply of commodities that respect historical tastes and habits, but also integrate the constraints of modern living.