The private label in Europe and U.S.A., 2014

According to a study by IRI, Private Labels reduced their market quota in 2014 both in value and in volume in Europe for the first time since the start of the crisis. Frozen products is the main category in Private Labels sales (41.6%), keeping the quota it had in 2013.

This report indicates that the market quota for private labels in Europe was at 38.7% in 2014, meaning a 0.1% fall, whereas in terms of volume, it remained at 4 8.9%. Tim Eales, Director at Strategic Insight in IRI and author of this study, explained that private labels "appear to have reached a ceiling in markets such as France, Spain, Italy and the Netherlands, with a slowing down in their growth and even a reduction in their quota for the first time in 7 years".

Eales considers that "retailers and manufacturers need to work together", and that only those private labels that are able to "innovate and differentiate themselves from the national brands to meet customer requirements, just the same as the national brands but with the competitive advantage of having a lower price", will be the ones who will see increased sales.

Frozen products

The frozen products category last year noted the highest quota in private labels in Europe. Over 40% of sales, in terms of value, of frozen products, were private labels (see figure 1), a similar percentage to 2013, "unlike in other categories that were affected by the general downward trend".

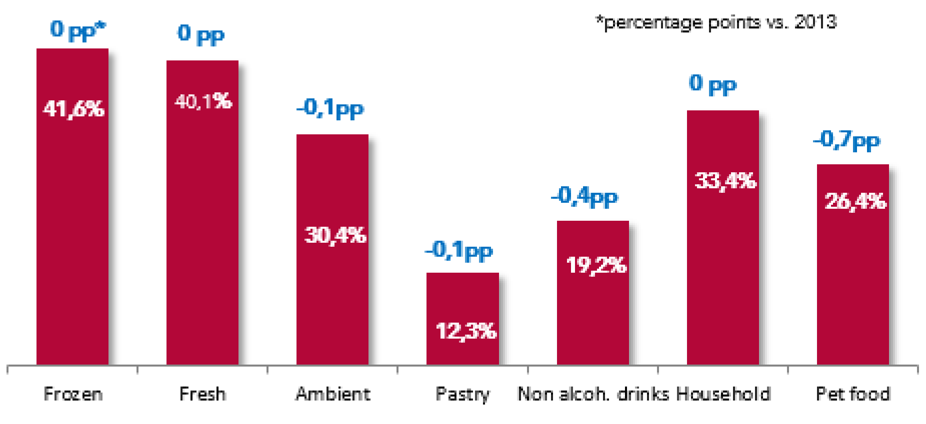
Price differential private labels-National brands cut

The private label market in Europe "is already at an advanced stage", in which retailers are more and more choosing to "continue improving the quality of their products, increasing the premium range and keeping prices low rather than resorting to discounts and aggressive promotions".

As noted in the report, it is the National brands that "have made a firm commitment to promotions, whereas the private labels have cut back", which has reduced the price differential between the two.

"This is yet another of the reasons for the fall in the private label quota in some categories", the study points out. But however, the increase in promotional activity and in discounts has not led to an increase in sales. According to data from IRI, product promotions in the European retail sector increased by 0.8% in 2014, whereas total sales fell by 0.7%.

FIGURE 1:
PRIVATE LABEL VALUE SHARE IN EUROPE BY PRODUCT CATEGORY, 2014



Source: IRI

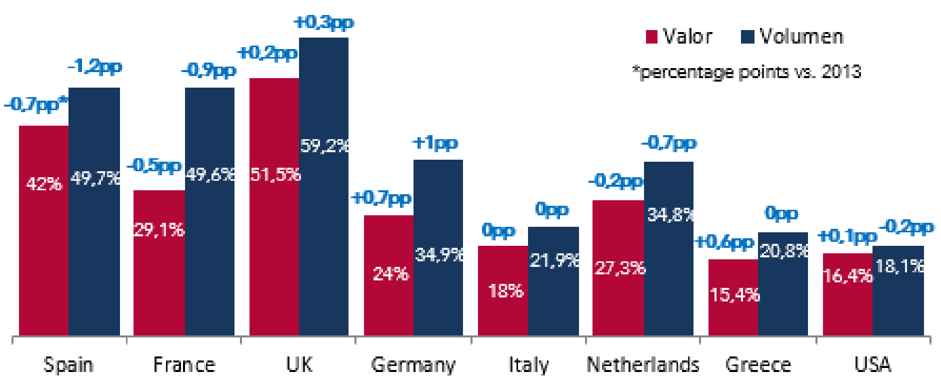
This information "shows the fact that bombarding the consumer with discounts does not necessarily imply higher sales". In the Netherlands, this effect was even more accentuated: the number of products with discounts or promotions increased by 8.2% in 2014, whereas sales fell by 2.9%. "This means that a large part of the economic effort that manufacturers have to make for the retailers is being ill-spent, in the worst of cases, or is not generating the expected profit in sales volume, in the best of cases."

The frozen products category recorded the highest private label sales quota in Europe, in 2014 (41.6%)

Private Label sales by country

The UK continues to be the largest market for private labels in Europe, with a quota accounting for almost 60% in volume (figure 2) and sales figures in 2014 valued at 53,700 million euros (figure 3). "In 2013, France was the only country with a fall in private label sales, whereas in 2014, this also occurred in Spain, the Netherlands and a slowdown in growth occurred in Italy", which had started to occur some years earlier, as the study points out.

FIGURE 2: PRIVATE LABEL SHARE EVOLUTION IN EUROPE 2013-2014



Source: IRI

Spain

Sales for private label products fell in 2014, both in volume and in value, for the first time since the start of the crisis, albeit slightly. The private label quota in terms of volume increased by 30% in categories of products while, in terms of value, a 35% increase was noted. "Manufacturers' brands have followed a strategy of strong promotions this market, where as private labels have reduced them", leading to less difference in the price between National brands and private labels. Frozen products is the category with the highest private label quota in Spain and the only one to have increased its sales in 2014, as shown in figure 4.

Italy

Private label sales in Italy kept the same quota as in 2013, after 5 years of continuous growth. "The negative growth of private labels in Italy began to stand out in the third quarter of 2013, becoming more evident during the first 8 months of 2014".

Nevertheless, as the Chairman of the Italian Frozen Foods Institute, Vittorio Gagliardi, points out to Conxemar magazine "private label plays and increasingly important role in the context of a highly negative economic situation, offering prices far below National brands". The frozen foods category has the highest sales in private label, with 26.8% of the quota in value in 2014, meaning a 0.3% increase in terms of 2013.

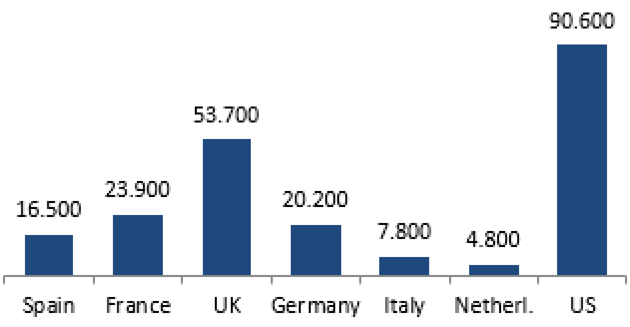
According to the report, 60% of private label sales are in the north of Italy, "where the greater part of the retailers operate, such as Coop, Conad, Esselunga and Carrefour". In the south, where "discounters are gaining ground in the market", there are small retailers who "are unable to invest in developing their own brands or compete with the leaders".

United Kingdom

This country continues to be the main market in Europe for private labels, although growth in 2014 was moderate (0.3 points in value). "Only 41% of the private label categories increased their quota in value, which points to the struggle going on with the National brands in most product categories", the study shows. Prices for private labels in the U.K. are on average 30% lower than those for National brands, and "this difference is has been reduced over the last few years".

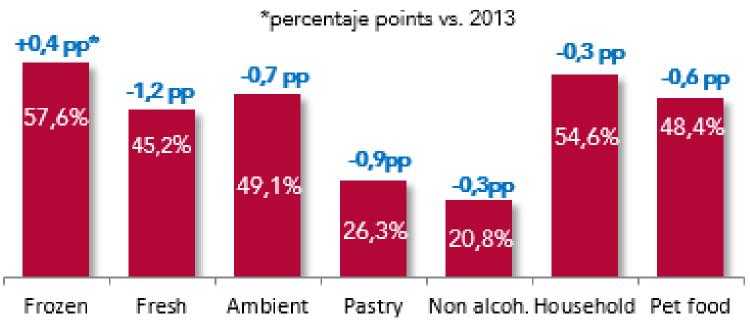
The main retailers in the country are making a firm commitment to launching new products, mainly in the Premium range, "in an effort to increase the quality of their private labels while keeping prices low". Such is the case of the Co-op, which integrated 1,000 new references to its supermarket lines in September 2013, or Sainsbury's, which plans to renew 3,000 of its current private label references.

FIGURE 3: PRIVATE LABEL SALES BY COUNTRY, 2014 (million Euros)



Source: IRI

FIGURE 4: PRIVATE LABEL VALUE SHARE IN SPAIN BY PRODUCT CATEGORY, 2014



Source: IRI

France

In 2014, France recorded a negative development from other countries in Europe in terms of private label sales. "The French consumer is still not convinced about the quality of private labels and prefers manufacturer's brands", the study points out.

As Christian Millet, the General Secretary at Les Entreprises des Glaces et Surgelés, explained to the Conxemar journal, which takes in companies from the frozen product sector in France, "if the price is similar, French consumers prefers National brands because they see a higher quality in these products".

Another factor that hinders the growth of private label in France is that retailers are reducing their presence in the lines and are offering discounts and promotions for National brands products", "as occurs in the case of Carrefour". Frozen products continue to be the category with the most sales in private label 845.7% in value), although this was the category with a greater fall in sales in 2014 (-1.3 points).

Germany

Private label sales continue to increase on the German market, where "the consumer believes in the quality of the Distributor Brand and looks for savings even though salaries are rising".

Private label sales in value for 2014 increased by 0.7 points, reaching a quota of 24%, while retailers "continue to innovate and expand their range of products" in their own brands.

Frozen products are what are most sold in private label and, along with fresh products, account for 70% of private label sales in food in Germany. Both categories were the ones that most increased their sales in 2014 (-1.2 points for frozen products and +1.5 in fresh).

According to Sabine Eichner, Director at Deutschen Tiefkühlinstitutes (German Cold Institute), "the Distributor Brand continues to grow in Germany. 50% of consumers consider that the most important thing is the price, whereas the other half are more inclined towards quality as the main foremost factor when it comes to buying these products.

Greece

The market quota for private labels in Greece still remains "at low levels" (15.4% in value) in comparison with other European countries. This is chiefly due to the fact that, during the crisis, "a fierce price war was waged between National brands manufacturers and retailers, which led to a fall in National brands prices".

Greek consumers "have not shown any great trust in the quality of private labels as an alternative to National brands". The latter "are constantly resorting to promotions and discounts, giving the consumer a price perception similar to the one they have of private labels".

Netherlands

Private label sales fell in 2014 in more than half of the categories, setting the total quota, in terms of value, at 49.2%. This was mainly due to less activity in promotions and discounts.

"Promotions in National brands increased by 2%, whereas the volume in private label products sold in promotions or at discount fell by 23%".

In frozen products, the private label quota fell slightly, setting it at 30.1%.

U.S.A.

The private label quota in U.S.A. is still at low levels (16.5% in value) relative to European countries. The study indicates that North American consumers have no specific preference either for National brands or for private label, but rather "choose a mix of both because they have very specific needs".

Sales of private label in 2014 increased in value, "mainly due to an increase in prices" since they fell by 0.2 percentage points in volume, setting the quota at 18.1%.

The category of fresh and chilled products has the best sales quota for private label in the U.S.A. (30.4%). Frozen products stand at 18.8%, slightly increasing their quota in 2013 (18.7%).

The data from this report has been extracted from the distributors database – Infoscan and from IRI MarketInsightTM for the U.S.A.
Categories: fresh and chilled, dry foods, frozen, confectionary, non-alcoholic beverages, household, personal care, petfood and alcoholic beverages.
Channels analyzed: hyper-, super- and discounters (the latter only for Germany and France)

World retail ranking and Top 50 of the food sector

Costco surpasses Carrefour and Tesco to become the second largest retail worldwide, preceded by Wal-Mart, which heads Deloitte's annual ranking list for yet another year. Mercadona, the leading Spanish retailer, keeps in 42nd place.

Total incomes from the leading retailers worldwide increased by 4.1% in 2013, according to the latest report by Deloitte, which makes a ranking in terms of the turnover of the distribution chains. Wal-Mart heads the list for yet another year, although significant changes are noted in the top 10. Costco increased its incomes by 6 million dollars in 2013, and moved to second place, displacing Carrefour and Tesco, which fell to fifth place. The German group Schwarz (Lidl) takes fourth place, after moving up two places.

According to the study by Deloitte, in 2013 retailers in Europe and the United States recorded the lowest growth rates since 2009, these being 2.6 and 3.1%, respectively. Some retailers have reduced their presence in markets in difficulties in order to reduce the overall size of their business.

In January 2013, Carrefour sold its participation in Indonesia to its local partner. It also reorganized its presence in Turkey. Tesco abandoned the markets in the United States and Japan, and reviewed its plans in China. The highest growth rate recorded by retails was in emerging countries, particularly the Chinese and Russian retailers.

WAL-MART recorded an increase in its sales of 2.8% in the third quarter of 2014. According to Doug McMillon, Chairman and Executive Director, "the biggest highlight was the positive behaviour of Wal-Mart U.S., including excellent results in the neighbouring markets, a 21% increase in global sales in e-business and good results in our international businesses". "We are investing in key areas for our business, including e-commerce and capacities for mobiles", he added. Wal-Mart is making a substantial investment in electronic trade to compete with Amazon. Furthermore, it is opening up smaller establishments in outlying districts in order to compete with Family Dollar and Dollar General.

COSTCO, for the fifth year running, had record results in sales and profits at the close of the financial year. "The tax year of 2014 was a great year", its Chairman, Craig Jelinek, acknowledged. "Sales increased by 6%, excluding the negative impact of the fluctuations in foreign exchange rates.

We continue to be optimistic about the future and we are still making strong investments in the growth of our business in the United States and around the world". In 2015, Costco plans to open up 20 establishments in the United States, four in Mexico, three in Japan, two in Australia and in Korea, and one in Canada, the United Kingdom and Taiwan.

CARREFOUR closed the financial year 2014 with a trade volume of 84,000 million euros, 3.9% more than in the previous year. The group is beginning to feel the effects of its recovery plan launched two years ago, based on reducing prices, logistic rationalization, renewal of outlets and simplification of the products supplied.

Carrefour sales in Europe remained stable, for the first time in 6 years, while in Latin America, they increased by 18%.
In Asia, they fell by 1.8% (in China -6.4%). In Spain, Carrefour recorded a 0.6% fall in its trade volume for 2014.

TESCO plans for profits in the financial year 2014, which closes in February 2015, to be not higher than 1,778 million euros, a figure below the initial forecast of between 1,800 and 2,200 million euros.

This British chain has gone through a difficult 2014 after admitting, a year ago now, a misalignment in its accounts of 336 million euros. The restructuring plan launched to save on costs and improve business includes the closure of 43 establishments in the United Kingdom, a cost reduction of up to 384 million euros and a cutback in investments of 1,280 million euros up to 2016.

Spanish retailers

MERCADONA continues to be the leading Spanish retailer (positioned in 42nd place in the world ranking). The chain, headed by Juan Roig, continues to increase sales (+4%), although the growth rate fell by 2.5% relative to the preceding financial year, due to the economic situation of the country and the pressure brought to bear by competitors. "We need to reinvent ourselves", Juan Roig assures. The Mercadona Chairman announced a new strategy, in March last year, based on strengthening fresh products in order to increase its sales volume

DIA moved up a position, ranking in 72nd place worldwide. It recorded a 2.4% increase in turnover and sales in Argentina, Brazil, China, Spain and Portugal have contributed to these results, as opposed to the fall in France. The Group's C.E.O., Ricardo Currás, noted that DIA has gained market quota, for yet another year, in the Iberian Peninsula, thanks to an ambitious expansion plan based on franchises. Gross sales in Spain increased by 5.7%. In terms of forthcoming financial years, the Group expects to continue growing based on its prices policy.

EL CORTE INGLES fell four points down to 66th position, although it has improved its results for the first time in six years: in 2013, it increased its turnover by 6.2%. The Group decided two years ago to strengthen the small, urban outlets format, as opposed to the large department stores. Supercor increased its trade figure in 2013 by 10.2%, while incomes in Hipercor fell by 8.1%, to 1,716 million euros.

EROSKI fell 9 places, ranking in 136th place. Turnover fell by 4.39%, recording losses of 102 million euros in 2013 (-15.7%). According to the group's Chairman, Agustín Markaide, the crisis and the fall in consumption continued to affect the trade figure, albeit to a lesser extent. The group continues with changing its network of establishments towards a new trade model, "Contigo" ("With you"), a format that recorded a growth in sales of 9%. "Consumers respond positively to a renewed proposals that contributes to saving, offering a considerable leading role to local fresh foods", Agustín Markaide assured.

The distribution group is also committed to expanding its network of franchises with 100 new establishments in 2015, in order to continue expanding with its small and medium sized outlets. "We set out to continue making headway in this segment as it has meant an important driving force in sales". Alongside that, EROSKI closed the sale to the distribution chain, DIA, with 160 supermarkets in central and southern Spain, for a sum of 146 million euros. The operation is part of a disinvestment plan agreed with the crediting bank in order to refinance a debt of 2,600 million.

TABLE 1: TOP 50 FOOD RETAILERS, 2013

Rank	Company	Country of origin	2013 net revenue (US$ mill.)	Var 13/12	Dominant operational format	Countries of operations
1	WAL-MART	USA	476.294	1,5%	Hypermarket	28
2	COSTCO	USA	105.156	6,1%	Cash&Carry	9
3	CARREFOUR	FRANCE	98.688	-0,1%	Hypermarket	31
4	SCHWARZ	GERMANY	98.662	13,1%	Discount	26
5	TESCO	UK	98.631	-2,6%	Hypermarket	13
6	THE KROGER	USA	98.375	1,7%	Supermarket	1
7	METRO	GERMANY	86.393	0,7%	Cash&Carry	32
8	ALDI	GERMANY	81.090	11,0%	Discount	17
9	CASINO	FRANCE	63.468	18,9%	Hypermarket	26
10	AUCHAN	FRANCE	62.444	5,8%	Hypermarket	13
11	EDEKA	GERMANY	59.704	6,7%	Supermarket	1
12	AEON	JAPAN	57.986	-8,1%	Hypermarket	10
13	WOOLWORTHS	AUSTRALIA	54.457	-7,1%	Supermarket	2
14	SEVEN & I HOLD.	JAPAN	54.258	-7,0%	Hypermarket	18
15	REWE	GERMANY	51.109	4,3%	Supermarket	11
16	WESFARMERS	AUSTRALIA	50.711	-6,5%	Supermarket	2
17	E.LECLERC	FRANCE	47.671	6,4%	Hypermarket	7
18	AHOLD	NETHERL.	43.321	2,6%	Supermarket	12
19	SAINSBURY'S	UK	38.030	3,2%	Supermarket	1
20	ITM (INTERMARCHÉ)	FRANCE	37.351	4,5%	Hypermarket	1
21	SAFEWAY	USA	35.011	-19,2%	Supermarket	3
22	LOWBLAW	CANADA	30.697	-0,9%	Hypermarket	2
23	PUBLIX SUPER MARKETS	USA	29.148	5,2%	Supermarket	1
24	DELHAIZE GROUP	BELGIUM	28.037	-4,1%	Supermarket	11
25	MORRISON	UK	27.739	-3,7%	Supermarket	1
26	MIGROS-GENOSSENS.	SWITZERL.	25.010	2,8%	Hypermarket	3
27	SYSTÈME U	FRANCE	24.706	4,2%	Supermarket	3
28	LOTTE SHOPPING	S. KOREA	24.601	17,3%	Hypermarket	6
29	**MERCADONA**	**SPAIN**	**23.954**	**6,3%**	**Supermarket**	**1**
30	H.E. BUTT GROCERY	USA	20.330	4,8%	Supermarket	2
31	CENCOSUD	CHILE	19.855	10,9%	Supermarket	5
32	EMPIRE CO. LT.	CANADA	19.829	14,3%	Supermarket	1
33	COOP GROUP	SWITZERL.	19.529	2,8%	Supermarket	5
34	OPEN JOINT STOCK CO.	RUSSIA	18.197	26,2%	Convenience	1
35	DOLLAR CORP.	USA	17.504	9,2%	Supermarket	1
36	X5 RETAIL GROUP	RUSSIA	16.785	6,3%	Discount	2
37	JERÓNIMO MARTINS	PORTUGAL	15.712	12,4%	Discount	2
38	COOP ITALIA	ITALY	15.211	-0,4%	Supermarket	1
39	MEIJER INC.	USA	15.000	2,7%	Hypermarket	1
40	ICA AB	SWEDEN	14.952	6,7%	Supermarket	5
41	**EL CORTE INGLÉS**	**SPAIN**	**14.789**	**0,8%**	**Depart.Store**	**4**
42	CONAD	ITALY	14.438	9,7%	Supermarket	2
43	JOHN LEWIS PARTN.	UK	14.164	5,3%	Supermarket	3
44	S GROUP	FINLAND	13.233	5,8%	Supermarket	5
45	**DIA S.A.**	**SPAIN**	**13.076**	**0,4%**	**Discount**	**7**
46	CO-OPERATIVE GROUP	UK	12.652	-3,7%	Supermarket	1
47	LOUIS DELHAIZE	BELGIUM	11.689	-9,1%	Hypermarket	6
48	SPAR	AUSTRIA	11.411	-8,7%	Supermarket	8
49	UNY GROUP HOLDINGS	JAPAN	10.156	-18,1%	Convenience	2
50	SOUTH. GROCERS, LLC.	USA	10.126	2,6%	Supermarket	1
TOTAL TOP 50 FOOD RETAILERS			**2.331.340**	**2,2%**		
TOTAL TOP 250 GLOBAL RETAILERS			**4.354.562**	**1,5%**		

This ranking by Deloitte includes the incomes generated by retail trade activity during 2012, and includes companies that closed their tax year in June 2013. To appear in this ranking, companies must have minimum incomes of 3,800 million dollars.

Jiansan Jia, Deputy Director Fisheries and Aquaculture Resources Use Division - **FAO**

“The 20th anniversary of the Code of Conduct next year will be a landmark, a milestone in the history of the Code”

Jiansan Jia visited Vigo to attend the International Conference of the Future of Fisheries. Expert in fisheries and aquaculture, Jiansan has been working for FAO for the last two decades.

He participated in the negotiations for the drafting of the Code of Conduct for Responsible Fisheries, which in 2015 will be celebrating its 20th anniversary in Vigo, continuing for another year the close cooperation between FAO and Conxemar.

¿What are the expectations for the 20th anniversary of the Code to be held in Vigo next year and its importance for the sector at a worldwide level?

I am very much supportive with the idea of working with Conxemar because FAO codes is a kind of a joint efforts with all the stakeholders. Those codes have to be implemented with the involvement of all the stakeholders, with the public-private sector partnership.

In this case, FAO working with Conxemar is a good example of this partnership to join forces. Conxemar is an important private sector representative and we are happy to work with Conxemar.

Next year, the 20th anniversary of the Code will be one of the landmark, a milestone in the history of the Code. It has been there for 20 years and, since its adoption in 1995, we have been working with all the stakeholders developing more than 30 specific technical guidelines with the Code.

All of this has been developed but how it become an action, a part of local legislation, a policy framework and a common practice of the daily work for the different stakeholders is the most important part; calling for implementation and action. That is something to be done.

How many FAO member countries have implemented the Code?

In FAO we have a collection of the states of the implementation of the Code by each member country and we also ask different fisheries management bodies to answer how they do in their geographic area.

We comply all these feedbacks in a document every 2 years and, according to the latest information, about 2/3 of the countries reporting regularly to FAO have taken actions related to the Code and guidelines.

How has the Code contributed to fisheries management, sustainability and traceability at global level?

The contribution of the Code has brought to the society and, of course the fishery sector, understand the need to keep the sector developed for future for its sustainability.

Now is common sense for everyone and there are a consensus and everyone agrees in that. But 20 years ago, people believed that resources can be used and never been used up because those are renewable. But now people understand that it is not the point. It is time to translate all this into action and it has to be the next step.

Which are, in your opinion, the main challenges for the fishery and aquaculture production growth in the coming years?

FAO has conducted several studies forecasting the future demand and supply and the scenarios could be. It was concluded that with the current per capita rate in 2012, that is 19 kilo, to keep that 19 kilo per capita/year in 15 years time we need to produce nearly 30 to 40 million tonnes more per year.

Considering the population and economic growth and the improvement of the livelihood and eating habits that 40 million tonnes have to be increased.

Where will they coming from? There is no much room for capture fish so mostly will have to rely on aquaculture, which has shown the possibility of bridging the gap. For the past 40 years, until 2012, aquaculture had an average annual growth of 8,2%.

Now the production is close to 70 million tonnes (2012). That growth seems to be possible at that rate or even higher, considering the great potential in areas such as Africa and Latin America.

And also the technological breakthrough, that maybe will come with sea production, with more species becoming farmable, like cod or hake, bringing more high quality seafood.

What measures will be necessary to implement in order to ensure sustainability and food security in the future growth of seafood production?

There are a number of issues to address as challenges. Regarding aquaculture, from an environment consideration, mass production in one concentrated area may create problems such as disease and its spreading.

In the case of feed, people are complaining about consuming too much fishmeal from limited available resources that can be used by the human being instead of fish.

All this need to be improved, like better formula as an alternative to fish meal, like plant protein instead of animal protein. Those are areas in which we have to work on and there are good examples already happening.

Fishmeal consumption by aquaculture is already reduced from 29 million tonnes to 20 million in the last 20 years, with the efforts of the research and the different fish farming systems. It is a big improvement and it shows that this can be done.

On the other hand, shrimp diseases in Asia and Latin America such as the EMS or the white spot, now are been taking care with some solutions like different ways of management instead of using chemicals, for example.

We will have to deal with all these problems as we are expanding the sector and increasing the production.

What are your thoughts about world seafood consumption in the coming years?

Fish is providing 16% of animal protein intake average worldwide. But in many developing countries, fish is the only accessible protein source for them, for rural populations by the lake or the river, becoming more than 50%.

Although the absolute consumption is low, it is high in percentage terms.

World per capita consumption is around 19 kilo on average and, to keep this going in the future, we need to improve aquaculture production specially in the developing world.

Those are the areas with high potential and also of a high need, mainly Latin America and Africa.

INTERVIEW

Samuel Juárez, Counsellor for Agriculture, Food and Environment, Spanish Embassy Beijing

"China should not just be seen as competitor but as a market with great opportunities"

We at Conxemar take this opportunity to congratulate someone who, being so well informed of our sector as is Samuel Juárez, has recently been appointed Counsellor of Agriculture, Food and Environment at the Spanish Embassy in Beijing. We wish him the best of luck in this new stage in his professional career.

What will be your functions in your new position?

Relations with this destination country in everything to do with the competences of the Ministry, in this case, in terms of agriculture, food and environment.

"The image of Spanish products in China is linked with quality and safety, and that is an advantage".

In practice, in a country such as China, with 1,370 million inhabitants that has been constantly growing over the past few decades, the main mission is to open up markets for Spanish products.

Spain is the eighth leading importer worldwide in agricultural-food products, and China is an extremely interesting market that we accessed very recently.

In the world markets, food products have to contend with technical and sanitary requirements which, all too often, entail some very complicated obstacles. And China is now one of our main markets for some products such as pork.

Conversely, we follow up the country's policies in these sectors and, especially, as regards environmental issues in terms of greenhouse effect gas emissions, where the repercussions in international negotiations are evident. We also manage cooperation relations with this country over these issues.

What kind of service and information can the Beijing Embassy offer the fishing sector?

This Council advises companies about the technical and sanitary requirements and, in collaboration with the trade department, we provide orientation for their activities.

Fortunately, fish products are not the ones with the most restrictions in third countries. In China, companies must be registered in order to export, and there are already more than 600 companies registered.

What measures do you consider the Administration could promote in order to encourage the competitiveness of the Spanish processing industry in view of the fierce competition from China and Southeast Asia?

The Administrations in Spain have been supporting modernization and innovation in the sector for many years now through European programmes, in order to gain competitiveness. I think that the development of the fish processing industries in our country, in general lines, is a success story.

This modernization of the industries has been complemented by opening up markets, which has allowed us to access non-processed products in better conditions.

We have top quality products, the image of Spanish and European producers is linked with quality and safety, and that too is a considerable advantage.

Our sector considers that it is very hard to compete with China because of the tax advantages for exporting and the customs duties for importing. What do you think can be done in this field?

In fact, over the years, China has implemented a policy of industrial development to be able to provide work to hundreds of millions of workers who have moved from the country to the towns and cities.

To achieve this, it facilitates imports of non-processed products and exports of processed products. There are companies outside and inside China that are involved in this "traffic of improvement".

In order to compete, we have to continue opening up our markets to be able to access non-processed products in the same conditions, and we have to continue investing in innovation to put new, quality products on the market.

> "Fish consumption in China is still low: 15 kg/per capita in the towns and cities, and 5 kg/per capita in rural areas. It has a considerable margin for growth".

What is your view of trade relations between Spain and China, especially as regards the fish products sector?

I can see that there is great potential for improvement. Spain is a reference country in the fish sector, and China is the world's leading exporter. But apart from that, the Chinese market has a considerable margin for growth.

Fish consumption is still low (about 15 kg/per capita in the towns and cities, and slightly over 5 kg/per capita in the rural areas).

So that China should not just be viewed as a competitor, but rather as a great opportunity too because it has a gigantic consumer market that increasingly will want to have a more varied, healthier diet.

Today, the majority of the Chinese only purchase fresh or even live fish, but tastes will carry on changing, they will also become more westernized in these aspects and in the consumption of processed products.

In your view, what are the main challenges facing Spanish exporting companies in the Chinese market?

This is a very complicated country for working and we have a difficult task ahead of us.

The main food product exporting sectors in Spain (pork, olive oil, wines, fish products, fruits and vegetables, etc.) today set China as their main expansion market and, quite often, it is the sanitary hurdles, rightly or wrongly, that make it difficult to access the market.

Argentina: landings and exports, 2014

After closing 2013 with positive figures, for the first time in 4 years, landings continued to fall in Argentina in 2014, according to the latest data published by the Subsecretariat of Fisheries (Table 1).

The port of Mar del Plata headed landings with 418,000 mt (-6.4%), followed by Madryn (125,603 mt, +8%) and Deseado (77,206 tonnes, -25%). Exports reached 445,570 tonnes (+0.9%) in 2014, for a value of 5,000 million dollars (+20.1%).

Hubbsi hake

Catches fell in 2014 and exports kept practically stable (Table 2), while problems of profitability continued to affect the sector, mainly the fresh sector.

"Costs continue to increase, the dollar is almost fixed and the 5% fall in gas-oil prices as opposed to the 60% increase in 2014 is insignificant", the manager of a company based in Mar del Plata explained, with 8,000 mt of quota of *hubbsi* hake.

He also added that "negotiations over salaries, are commencing towards the end of February, and will be difficult". "Hake was not very profitable in 2014, and prices are fairly close to those for hake from Namibia and South Africa and, as far as quality is concerned, the latter is the best", explained the manager of a company in the sector based in Marín.

The Federal Fisheries Council set a Maximum Allowable Catch (CMP) for 2015, for *hubbsi* hake, of 290,000 mt, south of 41° (similar to the quota for 2014) and 30,000 mt for the north zone (2,000 mt less than for last year).

Catches at the start of 2015 "are very low, with medium sizes and long fishing trips", so that hake supply "is complicated since there are significant stocks left over from 2014 and there are no large catches".

TABLE 1: LANDINGS BY MAIN SPECIES

(Tonnes)	2014	2013	Var. 14/13
HAKE SOUTH 41°	231.097	250.931	-7,9%
HAKE NORTH 41°	24.180	23.568	2,6%
ILLEX	167.977	191.721	-12,4%
ARGENTINIAN SHRIMP	125.452	100.671	24,6%
HOKI	57.481	56.196	2,3%
SEA BASS	38.746	45.511	-14,9%
MACKEREL	7.442	18.161	-59,0%
WHITTING	14.441	16.395	-11,9%
SKATE	15.491	15.204	1,9%
SOUTHER BLUE WHITING	9.016	7.975	13,1%
POLLOCK	5.692	6.692	-14,9%
ROCKCOD	6.005	6.518	-7,9%
BRAZILIAN FLATHEAD	7.806	6.276	24,4%
SOLE	5.819	5.158	12,8%
SMOOTHHOUND	3.875	4.378	-11,5%
BREAM	3.052	4.204	-27,4%
ANGEL FISH	2.993	2.854	4,9%
SOUTHERN HAKE	3.373	2.633	28,1%
GROUPER	1.803	2.462	-26,8%
OTHERS	48.108	54.977	-12,5%
TOTAL	779.848	822.484	-5,2%

Source: Subsecretaría de Pesca y Acuicultura de Argentina

TABLE 2: HUBBSI HAKE. MAIN EXPORTS MARKETS

	2014			2013		
	tonnes	1000 US$	Average price	tonnes	1000 US$	Average price
H&G	40.415	69.101	1,56	43.791	68.462	1,89
JORDAN	6.242	9.792	1,57	4.941	7.426	1,50
ISRAEL	5.300	7.746	1,46	3.832	5.219	1,36
SPAIN	5.142	12.403	2,41	2.536	4.780	1,88
UKRAINE	4.197	6.570	1,57	12.465	19.412	1,56
MACEDONIA	2.958	4.165	1,41	2.239	3.029	1,35
RUSSIA	1.799	3.579	1,99	1.286	2.598	2,02
CHINA	1.551	3.399	2,19	1.028	2.265	2,20
PALESTINE	1.441	2.142	1,49	1.210	1.537	1,27
BRAZIL	1.284	2.286	1,78	1.584	2.871	1,81
OTHERS	10.500	17.017	1,62	12.669	19.326	1,53
FILLETS	69.317	209.307	3,03	66.974	202.630	3,18
BRAZIL	28.795	87.503	3,04	24.752	75.847	3,06
SPAIN	14.038	41.199	2,93	10.265	29.159	2,84
ITALY	2.499	7.671	3,07	5.237	16.348	3,12
USA	6.254	19.254	3,08	4.705	14.406	3,06
VENEZUELA	1.941	6.288	3,24	2.830	9.240	3,26
ISRAEL	1.807	5.421	3	2.826	8.522	3,02
OTHERS	13.983	41.969	3	16.359	49.109	3
OTHERS	7.761	19.096	2,46	7.749	19.322	2,49
TOTAL HUBBSI	117.492	297.503	2,53	118.514	290.414	2,45

Source: INDEC

As far as the outlook for exports for the first quarter of 2015, “Brazil and the U.S.A. will continue to be very much in demand.

In the Eurozone, there are orders but I don’t think that much trade will be made due to the devaluation of the euro. Russia will continue to be complicated as regards the Ukraine and the revaluation of the dollar”, explained sources in the sector.

TABLE 3: ARGENTINIAN SHRIMP. MAIN EXPORT MARKETS

	2014			2013		
	tonnes	1000 US$	Average price	tonnes	1000 US$	Average price
WHOLE	**85.340**	**593.106**	**6,95**	**78.598**	**525.692**	**6,69**
SPAIN	43.905	290.289	6,61	38.136	251.856	6,60
ITALY	11.077	79.343	7,16	11.233	76.015	6,77
CHINA	7.976	60.856	7,63	5.175	36.924	7,13
JAPAN	7.809	56.043	7,18	15.665	107.036	6,83
VIET NAM	5.044	39.778	7,89	1.071	7.604	7,10
OTHERS	9.530	66.796	7,01	7.318	46.257	6,32
TAILS	**21.957**	**165.579**	**7,15**	**12.450**	**89.063**	**7,16**
SPAIN	6.138	47.352	7,71	3.648	25.735	7,05
IATLY	3.367	27.085	8,05	1.957	14.202	7,26
USA	3.224	25.634	7,95	1.953	15.111	7,74
THAILAND	1.268	7.705	6,07	689	3.856	5,60
CHINA	893	6.170	6,91	835	5.671	6,79
UK	773	5.810	7,52	281	2.237	7,96
DENMARK	737	5.576	7,56	110	772	7,00
RUSSIA	594	4.569	7,69	249	1.851	7,42
PERU	593	3.741	6,30	44	223	5,05
JAPAN	580	4.896	8,44	889	6.858	7,71
OTHERS	3.789	27.042	7,14	1.795	12.548	6,99
TOTAL	**107.297**	**758.686**	**7,07**	**91.048**	**614.755**	**6,75**

Source: INDEC

Red shrimp

The campaign closed in 2014 with record catches, and for the second year running, surpassed 100,000 mt. The campaign at sea was good, ending towards the end of October, with “35% of L1, 45% of L2 and 20% of L3 and tail”. There were “better prices” than in 2013. “Unlike hake and *illex* squid, red shrimp was very profitable”, explained sources in the sector.

According to data by the Subsecretariat of Fisheries, Madryn was the main port in terms of landings of red shrimp (5,308 mt, 26% of the total), followed by Comodoro Rivadavia (4,481 mt, 22.1%), and Mar del Plata (3,728 mt, 18.4% of the total).

In terms of target markets, demand in Spain and Italy remained strong, while Japan reduced its purchases by 50% in 2014 due to the depreciation of the yen in terms of the dollar, and excess stock up to July, which made the market move in late to purchase.

China continued to increase its demand for red shrimp (mainly for L1), with a 54% increase in 2014 relative to 2013, setting Japan as the third most important importing country.

The red shrimp campaign on land was good in terms of volumes and better prices than in 2013, mainly in sizes L2 and L3.

The first prospections in the frozen at sea campaign are scheduled for the end of March

Argentinean illex

The *Illex* campaign for 2014 was marked by a fall in catches and “12.4% fall in the average price”, according to data from Indec. “Whole *illex* fell by as much as $1,000/mt and tube up to $1,500/mt”, although towards the end of the campaign, both whole and tube “increased by 20%”, explained sources in the sector. Table 4 shows *illex* exports according to type of product.

In the 2014 campaign, 61 jiggers took part in Argentinean waters, with average catches of 26 mt/day. According to sources at Indec, outside the 200 mile limit, 2250 Asian ships caught over 250,000 tonnes and, off the Falklands, 106 ships caught 288,957 mt, so that estimates by Indec point to total catches of illex reaching 797,304 tonnes in 2014.

The 2015 campaign started on 26th January, one week before the official opening date (1st February), although “no shipowner took advantage of the earlier date because nobody steamed out on those dates”, explained the Chairman of an Argentinean company based in Mar del Plata.

“The outlook for the 2015 campaign is uncertain since last year ended with prices on a downward trend. But however, in China, there is little stock because a lot was consumed in the domestic market and in Spain there is little stock, especially in size S. The key would be if there are not many catches outside the 200 mile”, where towards the end of January, "260 Chinese, Taiwanese and Korean ships" were operating.

This executive calculates that in the 2015 season, "there won't be more than 50 to 60 ships", in Argentinean waters since the situation in the jigger sector is critical". "There are increasingly less ships in the grounds, costs are increasing and we are paying more and more taxes".

As far as the price expectations for the 2015 campaign, he trusts that they will increase in terms of prices at the end of the last campaign. "We will have to see how catches go, but I have faith in the fact that prices will continue along the same lines as the beginning of 2014 season".

"In a country with 30% inflation per annum and 25% salary increases, profitability will gradually fall each year", pointed out another entrepreneur in the sector, who considers that the new legislation on glazing and net drained weight "is going to affect the consumer because, even thought the new regulations are going to improve the product and this is going to be good in the medium term, the market is going to thin out a little".

TABLE 4: ILLEX. MAIN EXPORT MARKETS

	2014			2013		
	tonnes	1000 US$	Average price	tonnes	1000 US$	Average price
WHOLE	**72.487**	**81.722**	**1,13**	**81.621**	**113.343**	**1,39**
CHINA	30.898	33.174	1,07	37.692	50.600	1,34
THAILAND	12.418	14.476	1,17	6.073	7.522	1,24
ITALY	5.045	6.016	1,19	4.116	6.206	1,51
USA	3.918	4.354	1,11	5.585	8.192	1,47
KOREA	3.916	4.294	1,10	2.425	3.249	1,34
SPAIN	3.510	3.979	1,13	6.637	10.070	1,52
JAPAN	2.453	2.793	1,14	1.511	2.197	1,45
BRAZIL	1.338	1.591	1,19	1.755	2.483	1,41
VENEZUELA	1.296	2.449	1,89	2.651	5.207	1,96
SOUTH AFRICA	1.112	1.225	1,10	1.927	2.719	1,41
CANADA	741	792	1,07	920	1.206	1,31
VIET NAM	666	697	1,05	1.818	2.412	1,33
NORWAY	625	715	1,14	3.135	4.327	1,38
OTHERS	4.551	5.168	1,14	5.376	6.953	1,29
POD	**35.125**	**61.101**	**1,74**	**39.180**	**96.585**	**2,47**
SPAIN	25.151	44.133	1,75	30.172	77.243	2,56
JAPAN	6.035	10.341	1,71	4.708	9.934	2,11
CHINA	1.188	1.935	1,63	2.399	5.049	2,10
KOREA	1.322	2.243	1,70	995	2.257	2,27
ITALY	741	1.267	1,71	651	1.563	2,40
OTHERS	688	1.181	1,72	254	539	2,12
TENTACLES	**5.370**	**11.501**	**2,14**	**5.586**	**13.713**	**2,45**
CHINA	3.644	7.847	2,15	4.365	10.913	2,50
SPAIN	1.264	2.676	2,12	1.072	2.379	2,22
THAILAND	220	439	2,00	0	0	0,00
KOREA	93	197	2,11	0	0	0,00
OTHERS	147	341	2,32	369	612	1,66
TUBES	**776**	**2.250**	**2,90**	**715**	**2.672**	**3,74**
SPAIN	248	725	2,93	518	1.871	3,61
BRAZIL	337	923	2,74	130	465	3,58
HONG-KONG	67	169	2,52	0	0	0,00
OTHERS	125	434	3,47	67	337	5,03
OTHERS	**3.507**	**4.769**	**1,359661**	**2.970**	**4.660**	**1,57**
TOTAL	**117.368**	**161.711**	**1,38**	**130.108**	**231.173**	**1,78**

Source: INDEC

Production and exports of seafood products from Vietnam, 2014

In 2014, exports increased by 16.5% in value, driven by vannamei shrimp, which increased by 58.5%, accounting for almost 30% of the country's total exports.

According to the annual report published by VASEP (Vietnam Association of Seafood Exporters), fish and farmed products exports in 2014 (Table 1) continued with the upward trend "of the past 15 years", except for 2009, when it fell by 5.7%.

Exports over the first months of 2014 increased and, as from September, they began to slow down, and by December they had fallen. The main reason for this, argues Vasep resources, was the imposition of "the U.S.A.'s anti-dumping measures" affecting shrimp from Vietnam, the main driving force behind exports, with a production that increased by 112,000 mt in 2014 (Table 2).

Table 3 shows the ranking of the leading exporter companies in Vietnam, in 2014.

TABLE 1:
VIETNAM SEAFOOD EXPORTS (million dollars)

	2014	2013	Var % 14/13
SHRIMP	3.952,9	3.114,2	26,9%
Vannamei	2.310,5	1.579,1	46,3%
Black tiger	1.385,5	1.329,2	4,2%
PANGASIUS	1.768,1	1.761,1	0,4%
TUNA	484,2	526,6	-8,1%
HS Code 03*	251,9	272	-7,3%
HS Code 16**	232,2	254,6	-8,7%
CEPHALOPODS	483,2	447,6	7,9%
CUTTLEFISH (*Pharaonis*)	273,7	279,5	-2%
PROCESSED	17,5	25,3	-30,8%
DRIED	104,8	96,5	8,6%
OTHERS*	151,3	157,6	-3,9%
OCTOPUS (*O. vulgaris*)	209,5	168,1	24,6%
PROCESSED	30,3	31,3	-3,1%
OTHERS*	179,1	136,7	31%
Other products	1.168	875,2	33,4%
TOTAL	7.836	6.724,7	16,5%

*Frozen, fresh, live, dried/**For processin Source: VASEP

TABLE 2:
VIETNAM SEAFOOD PRODUCTION (tonnes)

	2014	2013	Var % 14/13
CAPTURE	2.918.000	2.804.000	5,2%
MARINE WATER	2.712.000	2.607.000	5,5%
FRESH WATER	306.000	197.000	55,3%
AQUACULTURE	3.393.000	3.216.000	4,5%
SHRIMP	660.000	548.000	20,4%
VANNAMEI	400.000	280.000	42,8%
BLACK TIGER	260.000	268.000	-2,9%
TOTAL	6.311.000	6.020.000	4,8%

Source: VASEP

Shrimp

Vannamei shrimp continues to increase its quota in production and exports from Vietnam in terms of black tiger. "This trend began in 2013, with the fall in production in Thailand and China, due to EMS, which had not such a great impact in Vietnam, allowing it to make a swift recovery in production and take advantage of the lack of supply on the market", explained Vasep sources. Production of vannamei shrimp increased by 42.8% in 2014, accounting for 58.5% of total shrimp exports, as opposed to the 2.9% fall in black tiger production.

The farming area for vannamei in the Mekong Delta increased by 68%, whereas this figure for Black Tiger fell by 4%.

Regarding the main markets of destination (see Table 4 on next page), exports to the U.S.A. recorded a "marked increase" in the first months of 2014 and "fell sharply following the announcement of an anti-dumping tax of 6.31% for 30 Vietnamese companies, the highest for frozen shrimp", according to Vasep.

Exports to Japan increased in 2014 but to a lesser extent than in 2013. The Japanese authorities established antibiotic control measures in April on shrimp from Vietnam. Exports went from a 33% growth in the first quarter to a 15% fall in April, carrying on falling up to the end of July and began to pick up from August onwards".

Regarding EU exports noted a marked increase. "Shrimp from Thailand was affected in this market by information published by The Guardian on labour exploitation, which led retailers such as Carrefour to stop their purchases from this source", benefiting exports from Vietnam, points out Vasep resources.

As regards expectations for Vietnamese shrimp in 2015, Vasep's forecasts point to production keeping at around 660,000 mt and that "the trend will continued towards a higher production of *vannamei*".

In the EU, Vasep points out that Thailand's removal from the GSP since 1st January 2015 is a "good opportunity to continue promoting our exports in this market".

Pangasius

The sector is going through some difficulties in 2014, "both in terms of production and processing and exports", Vasep notes.

Producers have undergone "substantial losses" and one of the chief difficulties both for the production sector and for the processing industry is "the lack of capital and financing".

Demand fell in two of the main export markets. In the U.S.A., mainly due to the "unfair" anti-dumping measures imposed on pangasius fillets, and in the EU due to "stricter sanitary inspections and the abundant supply of other species of whitefish such as cod", with a 985,000 mt TAC in the Barents Sea in 2014.

TABLE 3: TOP 10 EXPORT COMPANIES FROM VIETNAM, 2014 (million dollars)

1. MINH PHU SEAFOOD	511
2. STAPIMEX	249,3
3. CB TS MINH PHU-HAU GIANG	231
4. QUOC VIET CO.	211
5. VINH HOAN CORP.	207,4
6. CASES	207,1
7. HUNG VUONG CORP	139,7
8. FIMEX VN	135,8
9. CB TS và XNK TRANG KHANH	126,3
10. C.P. VIET NAM	109,8
TOTAL TOP 10	2.128,4
TOTAL TOP 100	7.836

Source: VASEP

TABLE 4: MAIN DESTINATION MARKETS BY PRODUCT (millIon de dollars)

	2014	2013	Var % 14/13
SHRIMP*	3.952,9	3.114,2	26,9%
USA	1.064	830,9	28,0%
JAPAN	743,4	708,7	4,8%
EU	682,7	409,4	66,7%
CHINA	414	381,1	8,6%
KOREA	317	224,8	41,0%
OTHERS	731,8	559,1	30,8%
PANGASIUS	1.768,1	1.761,1	0,8%
EU	344,2	385,4	-10,6%
USA	336,8	380,7	-11,5%
ASEAN	136,5	124,8	9,3%
CHINA	113,1	91,1	24,1%
BRAZIL	122,9	121,8	0,9%
OTHERS	714,6	657,3	8,7%
TUNA	484,2	526,6	-8,1%
USA	175,2	187,4	-6,5%
EU	135,2	140,7	-3,9%
ASEAN	34,9	35,5	-1,6%
JAPAN	22,5	42	-46,4%
ISRAEL	20,8	18	16,2%
OTHERS	95,6	103,1	-7,2%
CEPHALOPODS*	483,2	447,6	7,9%
KOREA	174,7	138,1	26,5%
JAPAN	112,0	122,1	-8,2%
EU	80,5	74,1	8,6%
ASEAN	61,9	53,3	16,1%
CHINA	22,7	23,7	-4,2%
OTHERS	31,4	36,3	-13,4%
TOTAL	7.836	6.724,7	16,5%

*Breakdown by specie not available

Source: VASEP

Other alternative markets, such as China, Mexico, Brazil or ASEAN countries, "have compensated for the fall in the U.S.A. and the EU with satisfactory results".

Vasep noted in its report that Vietnam will strengthen tilapia farming, a country that exported to 60 countries in 2014 for a value of 30 million dollars. "The farming process is simple and reaches high prices on the market".

Cephalopods

Cuttlefish accounted for 56% of cephalopod exports from Vietnam in 2014. Korea, the main destination market, accounted for 36% of total exports of cephalopods, is the country with the greatest potential for growth in 2015, since both countries expect to reach a free trade agreement. "That will be a great opportunity for exporting", Vasep noted.

Japan, the second market in importance (23% of the total), cut back its purchases in 2014, a "difficult year" for Vietnam exports due to the "tough competition due to the abundance of supply, excess stock and low consumption" in this market.

The EU accounts for 16.6% of exports, which increased by 8.7% in 2014. Vasep's expectations point the EU demand "continuing to increase in 2015, especially in Germany, Spain and France".

Italy will continue as the main European market, although "demand will decelerate over the next few years".

Tuna

Following a significant increase in catches in 2013 due to the "improvement in fishing methods", catches fell in 2014. The situation of the processing industry is "difficult" due to the lack of financing and the difficulty in finding qualified manpower.

"Between 80% and 90% of industries have had to cut back their production and the raw material available only meets 50% of demand in the plants. The rest comes from imports", Vasep explains.

Exports fell in the two main target markets. U.S.A. (-6.5%) reduced its purchases of canned products while purchases of tuna loin increased by 40%.

In the EU, they fell by almost 4%. "Exports of processed and canned tuna fell by 11%, whereas the category of frozen, fresh and live products increased by 4%. In 2013, the trend was quite the opposite".

As far as 2015 is concerned, Vasep forecasts that tuna catches "will continue to fall", so that the processing industry "will continue to depend on imports" to keep supplied with raw material.

Regarding exports, Vasep estimates a 4% increase to reach 510 million dollars.

Analysis of fish consumption in Germany, 2014

A reported drafted by the Norwegian Seafood Council shows how Germany ranks behind the main European countries in fish consumption. The lack of knowledge about fish and how to prepare it are the main "hurdles".

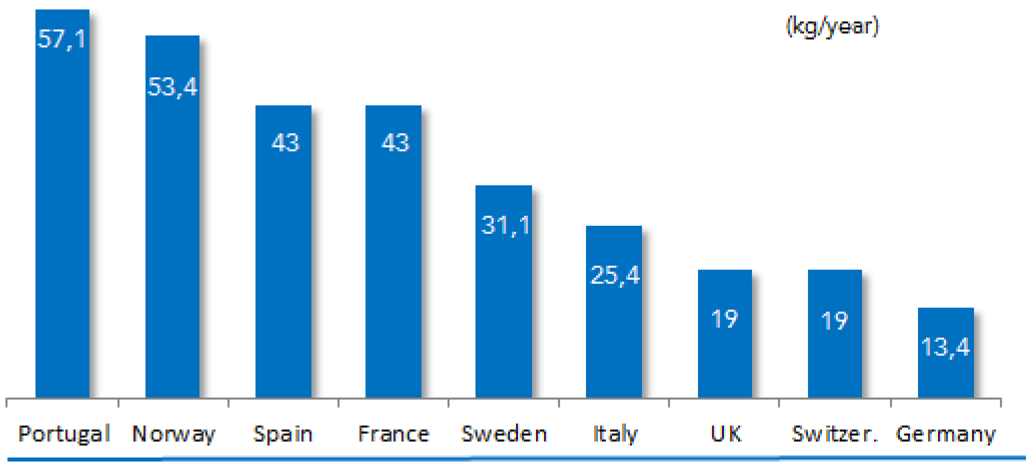
This study analyses 30,000 door-to-door questionnaires carried out in Germany and interviews with over 2,000 consumers.

According to the report, fish consumption per capita per annum in Germany lies at 13.4 kg, the lowest in the main European countries (Figure 1).

"Fish consumption fell by more than one kilo in 2013, and kept stable in 2014, whereas meat consumption continues to increase. To ensure that fish consumption increases, the consumer must be better informed of this product because supply now is more varied than ever", explained Kristin Pettersen, Director of the Norwegian Seafood Council in Germany. The lack of knowledge about fish and how to cook it are the two main "hurdles" for its consumption in Germany.

"Fish is an essential ingredient for a healthy diet, and this is rarely mentioned in the German mass media. In Norway, however, recommendations on fish consumption can be read on the front pages of the country's leading newspapers", the report comments.

FIGURE 1: PER CAPITA SEAFOOD CONSUMPTION IN THE MAIN EUROPEAN COUNTRIES

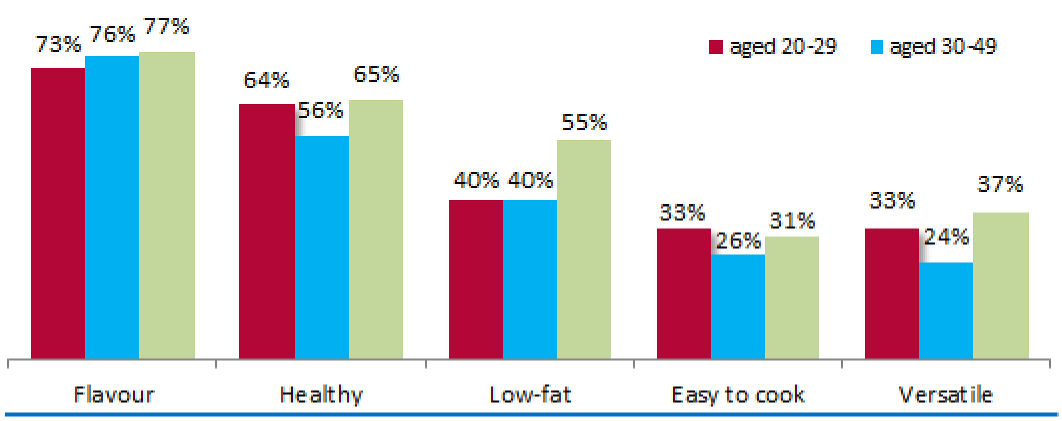


Source: FAO

Profile of the fish consumer

54% of the consumers consulted in this study noted that they eat fish at least once a week. Germans over 50 years of age are the ones who most often give a higher value to its benefits for health (see Figure 2). The lowest frequency is noted for consumers aged between 30 and 49, who are generally the ones with children at home.

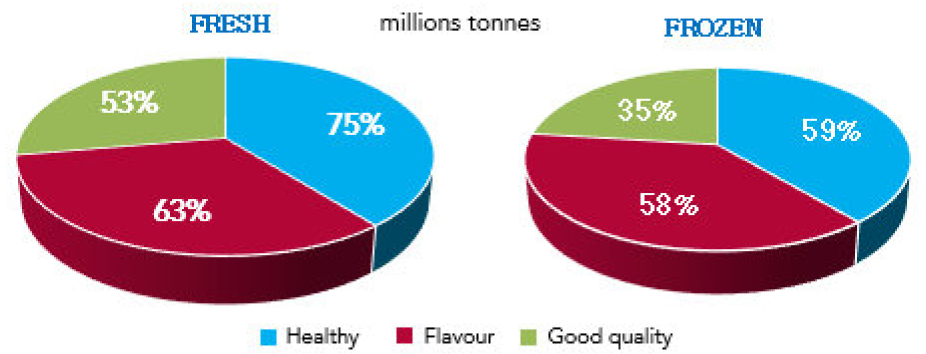
FIGURE 2: MAIN REASON FOR SEAFOOD CONSUMPTION IN GERMANY BY AGE, 2014



Source: TNS Gallup/NSC

By sex, "unlike in most European countries, where women eat more fish than men, in Germany, the trend is similar" (54% men, 55% women). More fish is eaten in the north of the country, so that in the south "there is a greater potential for increasing consumption".

FIGURE 3: MAIN REASONS FOR FRESH AND FROZEN SEAFOOD CONSUMPTION



Source: TNS Gallup/NSC

Higher consumption in frozen seafood

As note in the study, "the German consumer prefers more frozen than fresh fish", since two thirds confirm that they consume frozen. Alaska pollock, salmon and herring are the 3 most consumed species. Figure 3 shows the main reasons for why the consumer buys frozen and fresh.

In its study, the NSC explains the swift growth in consumption of sushi in the German market. "In 1990, the first sushi establishment was opened in Germany, and today there are 800".

There is also" a great potential for growth in this product", which is increasingly popular after including discounts on sushi in box format on their lines.

Preparations

61% of the consumers consulted in the study termed its aptitudes in the kitchen as "good or very good", although when it comes to cooking fish, "the majority acknowledge that they are low and can be improved".
The most frequently used preparation in the case of frozen fish is fried (46%) and oven baked (40%), while fresh is mainly fried (53%) and 13% of consumers prepare it in the oven.

According to the report, the great potential for growth lies in grilled fish, a very popular preparation in Germany for meat. 97% of the Germans surveyed grill between and 8 times a month, whereas only 12% occasionally use fish.

A positive data arising from the study is that young consumers increasingly eat fish in their grills (16%, once per week).

Traceability and sustainability

As the study notes, German consumers lay importance on the origin of the product that they buy, since 57% consider that information is important or very important.

In the case of salmon, the most valued origin is Norway (37%), followed by Alaska (26%).

As far as sustainability is concerned, only 9% of consumers state that it is an important factor when buying fresh fish, and 12% in the case of frozen.

These data show that "only a small number of consumers value sustainability and, apparently, they fail to understand what it means".

Likewise, the study makes reference to a report drafted in 2012 by the Norwegian Seafood Council and the Rheingold Institute of Germany, which concludes that "sustainability is something only valued by initiates. For consumers in general, few are familiarized with sustainability and very few know what it means".

According to data in the report, only 19% of those surveyed knew the name of an ecolabel, something that shows that the German consumer "lays more importance on other factors such as taste, health benefits or value for money", when it comes to buying fish.

Work meeting on the regulations on labelling and contingents 2016-2018

On 8th January, Conxemar called a work meeting to determine the chief difficulties facing companies when applying the regulations. In the second part, they also debated subsequently applying to DG Mare for customs contingents for 2016-2018.

The meeting was attended by directors of Pescapuerta, Icelandic Ibérica, Angulas Aguinaga, Pesciro, Iberconsa, Pereira Productos del Mar, Freiremar, Frinsa, Galfrío, Pescanova, Cabomar, Gambastar and Fandicosta.