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Portugal

Fishery Products

Annual

2000

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Report Highlights:
Affected by restrictive Total Allowed Catch levels for most species, Portuguese total 2000 fish landings are expected to remain at 177,000 Mt. Due to resource management problems, total national fish production is forecast to decrease over the medium-term. Portuguese seafood imports are to decline during 2000 on account of lower cod imports, to an estimated 411,000 Mt. U.S. 1999 seafood product exports to Portugal totaled $ 51.7 Million, primarily frozen and salted, n.d. cod, frozen monkfish, loligo and salmon. 1 USD = 224 PTE.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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EXECUTIVE SUMMARY

Down from 1998 due to fish stocks management issues, Portuguese total unloaded 1999 catch totaled 188,000 Mt (212,140 Mt in 1998), of which sardines accounted for 80,250 Mt, horse mackerel for 15,573 Mt and hairtails for 10,447 Mt. The expiration of the EU-Moroccan fishing agreement at the end of November 1999 and unusually low sardine stocks due to climatic factors caused the first semester 2000 fish catch to decrease by six percent relative to the same period in 1999. Another decrease is forecast for 2001 due to the affects of increasingly restrictive levels of Total Allowed Catch (TAC) upon national fish harvesting, leading to expected 2001 fish landings of 170,000 Mt. During the 90's, the national fleet was reduced by roughly a third and this, together with current resource access difficulties are expected to further reduce fish catch over the medium-term future.

Consumption of total edible fishery products went up considerably during 1999 due to a significant increase in domestic salted dry cod consumption. However, soaring cod import prices have led to a reversal in cod demand in 2000, since salted dry cod demand is largely sensitive to retail price ratios with other food products, including meat. Nevertheless, total consumption of all other fresh and frozen seafood products is to remain mostly stable, with pre-cooked seafood, frozen seafood products types adequate for HRIS use (including squid/loligo, frozen monkfish and salmon), and fresh fish for home consumption is expected to continue to rise. Total edible fishery products consumption is forecast to decrease moderately in 2001 as a consequence of another reduction in salted dry cod consumption levels.

Total Portuguese 1999 seafood imports reached $ 1,014 Million ($ 839 Million in 1998), of which $ 51.7 Million were imported from the United States ($ 15.8 Million in 1998). The bulk of the expansion was due to frozen cod imports which is locally utilized for the production of salted dry cod. Due to lower cod processing in 2000, total seafood imports are expected to decrease to an estimated 411,000 Mt, fresh weight basis. Another total seafood import reduction is forecast for 2001 as a consequence of an additional drop in national cod demand levels. Total seafood trade is expected to remain mostly stable over the medium-term. Further increases in cod prices should lead to further reductions in domestic cod consumption levels, but other imported seafood products will face stable-to-rising demand. Due to resource conservation problems, and the fact that significant U.S. seafood supplies come from the Pacific Ocean, the United States will tend to become a more significant supplier of the Portuguese seafood market over the medium-term. With the bulk of its exports thus far consisting of cod for processing, U.S. total seafood exports will depend on trends in the Portuguese cod market. Other products which have been trending up, including monkfish, loligo and salmon, are mostly dependent upon developments in other sectors, most notably HRI, which are experiencing growth.

Dollar rate: 1 USD = 225 Pte

GROUNDFISH, WHOLE, EVISCERATED

Production, Supply & Distribution Table

PSD Table						
Country	Portugal					
Commodity	Groundfish, Whole/Eviscerated				(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Beginning Stocks	5000	5000	5000	5000	5000	5000
Total Production	5600	5225	5580	5000	0	4500
Intra-EC Imports	32000	32815	33000	26252	0	27000
Other Imports	30000	49936	31000	35748	0	36000
TOTAL Imports	62000	82751	64000	62000	0	63000
TOTAL SUPPLY	72600	92976	74580	72000	5000	72500
Intra-EC Exports	7150	6753	7200	8780	0	9000
Other Exports	1000	3263	1100	3340	0	3500
TOTAL Exports	8150	10016	8300	12120	0	12500
Domestic Consumption	59450	77960	61280	54880	0	55000
Other Use/Loss	0	0	0	0	0	0
TOTAL Utilization	59450	77960	61280	54880	0	55000
Ending Stocks	5000	5000	5000	5000	0	5000
TOTAL DISTRIBUTION	72600	92976	74580	72000	0	72500

Production

General

Restrictive groundfish Total Allowed Catch (TACs) levels led to a reduction in total national 1999 groundfish catch, with the General Fisheries Directorate reporting that unloaded cod and hake totaled 1,327 Mt (3,827 Mt in 1998) and 3,398 Mt (3,003 Mt in 1998) respectively. Increasingly tight harvesting conditions during 2000 are expected to lead to another drop in total groundfish catch due to increasingly restrictive cod TACs due to resource conservation problems together with the end of the EU-Morocco fishing agreement on November 30, 1999. The end of this Agreement, un-renewed to date, prevents access of Portuguese flagged fishing vessels to Moroccan waters, leading to an expected reduction in the 2000 hake catch among others (see Total Edible Fishery Products). Restrictive TACs and expected continuing resource preservation problems will tend to maintain 2001 total groundfish output un-changed relative to 1999 levels. Successful EU-Moroccan negotiations, or a stronger interest from Portuguese fishermen in forming mixed capital joint-ventures abroad could lead to maintenance or recovery in total groundfish catch levels (see Policy section).

Production data in PS&D is derived from information on unloaded fisheries released by the General Fisheries Directorate and published by the National Statistics Office (I.N.E.). For reporting purposes, Groundfish comprises fresh/frozen/minced cod, hake, whiting, pollock and haddock.

Quality

Quality of fresh groundfish is generally considered high, especially in the case of fresh hake for retail sales. Frozen groundfish quality is considered variable, depending on the different transportation and storage conditions aboard the vessels. In health and sanitary terms, Portuguese seafood is subject to EU standards and regulations.

Cod quality criteria is based on the edible characteristics of Atlantic cod - *Gadus mohrua* -, which is the traditional cod type used for salting and drying. In particular, edible characteristics of *Gadus morhua* are said to be different from those of Pacific *cod (Gadus macrocephalus)*, the main U.S. cod export variety, leading to an end-product with different (i.e., lower) edible properties. These differences are said to be very subjective. The quality of silver hake imported by air from the United States is considered high.

Consumption

In 1999, as a consequence of increased cod salting/drying activity, national total groundfish consumption had a significant expansion. In addition to frozen cod for salted, dry cod production, total use of fresh cod and whiting by the fish mincing industry also increased, as well as hake for direct home or industrial consumption. Fresh hake consumption remained mostly unchanged, consisting basically of locally unloaded fish.

Due to a change in industry consumption trends, primarily in the cod salting and drying business, total groundfish consumption is expected to decrease significantly during 2000. According to trade sources, current demand for fresh and frozen groundfish by customers at retail levels remains mostly unchanged relative to last year's levels, with the overall decrease largely due to lower cod processing levels. These changes are expected to continue during 2001 in association with currently reported rising seafood prices.

Trade

In 1999, booming frozen groundfish imports for processing led to the large 44 percent increase in Portuguese total groundfish imports. Russia and Norway accounted for the bulk of the increased frozen cod sales; the former profiting from attractive export prices, and the latter from a preferential trade regime with the under the European Economic Space. Cod imports from the United States also went up significantly, profiting from the local cod processors demand for new, competitively-priced raw-materials for salted dry cod production.

Soaring cod prices during 2000 associated with lower catches in Norway and the strong U:S. dollar led to a decrease in first semester 2000 total Portuguese groundfish imports. The generalized high price supply of frozen cod from all sources and the resulting depressed domestic demand for salted dry cod - the end product of the cod processing activity - will tend to lead to lower total 2000 groundfish imports compared with 1999 levels. With the cod de-freezing, salting & drying industry tending to continue to be largely displaced with that of finishing imported salted cod, n.d. (see also salted cod, n.d. chapter of report), total national groundfish imports are expected to suffer another reduction in 2001. Affected by the decline in total trade, frozen cod imports from the United States will tend to remain below 1999 levels during 2000 and 2001.

Groundfish trade matrices for Jan-Dec 1998 & 1999, and for Jan-May 1999 & 2000 (the latest available information from the National Statistics Office (INE)), are given below. For breakdown of imports from the United States by species, please see Trade section of "Total Edible Fishery Products".

Trade Matrices

Import Trade Matrix			
Country	Portugal		
Commodity	Groundfish, Whole/Eviscerated		
Time period	Jan/Dec.	Units:	Metric Tons
Imports for:	1998		1999
U.S.	3,462	U.S.	16,730
Others		Others	
Spain	26,625	Spain	30,620
U.K.	2,382	U.K.	1,314
Denmark	469	Denmark	712
Other EU	1,168	Other EU	169
Russia	14,162	Russia	17,133
S. Africa	5,755	Norway	6,853
New Zealand	1,078	S. Africa	5,279
		Iceland	764
		New Zealand	369
Total for Others	51,639		63,213
Others not Listed	2,304		2,808
Grand Total	57,405		82,751

Export Trade Matrix			
Country	Portugal		
Commodity	Groundfish, Whole/Eviscerated		
Time period	Jan/Dec.	Units:	Metric Tons
Exports for:	1998		1999
U.S.	15	U.S.	16
Others		Others	
Spain	5,874	Spain	4,985
France	607	U.K.	2,658
Belgium	200	France	774
U.K.	189	Denmark	411
Other EU	156	Belgium-Lux	134
Japan	180	Other EU	184
		Japan	475
Total for Others	7,206		9,621
Others not Listed	249		379
Grand Total	7,470		10,016

Import Trade Matrix			
Country	Portugal		
Commodity	Groundfish, Whole/Eviscerated		
Time period	Jan/May	Units:	Metric Tons
Imports for:	1999		2000
U.S.	5,011	U.S.	2,240
Others		Others	
Spain	13,823	Spain	10,257
U.K.	577	U.K.	230
Denmark	270	Denmark	103
Other EU	130	Other EU	62
Russia	7,437	Norway	2,680
Norway	2,234	S. Africa	2,347
S. Africa	2,177	Russia	1,938
Iceland	338		
New Zealand	235		
Total for Others	27,221		17,617
Others not Listed	561		1,894
Grand Total	32,793		21,751

Export Trade Matrix			
Country	Portugal		
Commodity	Groundfish, Whole/Eviscerated		
Time period	Jan/May	Units:	Metric Tons
Exports for:	1999		2000
U.S.	8	U.S.	8
Others		Others	
Spain	1,411	Spain	2,113
France	399	U.K.	962
U.K.	369	Denmark	210
Denmark	347	France	58
Other EU	106	Other EU	77
Japan	201	Japan	9
Total for Others	2,833		3,429
Others not Listed	75		91
Grand Total	2,916		3,528

Policy

General

Resource management is regarded as a top priority by Portugal, but as is the case in other EU member states, Portuguese TACs and bi-lateral fishing agreements are presently negotiated by the EU.

Among the most important currently pending dossiers is the EU-Morocco fishing agreement presently under negotiations. The suspension of the EU-Moroccan fishing agreement as on November 30, 1999, has prevented access of some 30 Portuguese ships to Moroccan waters, affecting production of hake among other species. This situation, which is considered damaging to the Portuguese fisheries sector, has already led local authorities to announce special financial compensations to producers. For more information regarding the EU-Morocco negotiations, please see the Total Edible Fisheries Products section.

Tariffs

Portuguese groundfish imports are subject to the EU-set import tariff schedule and the EU import regime. Accordingly, U.S. exporters have access to the EU reduced-tariff groundfish import quotas (Tariff Rate Quotas - TRQ). For a summary of currently existing quotas for cod, see the salted cod, n.d. chapter of this report.

Marketing

National shrinking groundfish TACs while domestic groundfish demand remains potentially high increases market potentials for U.S. groundfish exporters. However, constraints include the currently high U.S. dollar rate against the EURO and the long distance transportation costs. Quality perceptions with regard to Pacific cod and reportedly frequent parasite contamination in Alaska cod are other factors limiting local demand for U.S. cod which must be addressed. Nevertheless, strong cod quality and freight costs control efforts should maintain the strong U.S. position in the Portuguese groundfish import market. In addition, continued sales efforts from U.S. exporters, by employing locally-based sales agents can also support good sales performances, given the lack of product homogeneity and the importers desire to see the product before purchase. In addition to cod, silver hake continues to face favorable market opportunities, especially under the EU hake TRQ. Nevertheless, in according to local trade sources, silver hake imports from the United States are only viable during the occasional market shortages that compensate for the high costs of flying the product into the country. Imported seafood must meet EU sanitary and labeling regulations.

SALTED COD, N.D.

Production, Supply & Distribution Table

PSD Table						
Country	Portugal					
Commodity	Cod, Salted				(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Beginning Stocks	150	150	150	150	150	150
Total Production	32000	39000	35000	20000	0	20000
Intra-EC Imports	10800	17430	10000	13000	0	12000
Other Imports	136200	151432	130000	128000	0	127000
TOTAL Imports	147000	168862	140000	141000	0	139000
TOTAL SUPPLY	179150	208012	175150	161150	150	159150
Intra-EC Exports	2900	4644	3000	2300	0	2200
Other Exports	170	75	180	75	0	75
TOTAL Exports	3070	4719	3180	2375	0	2275
Domestic Consumption	175930	203143	171820	158625	0	156725
Other Use/Loss	0	0	0	0	0	0
TOTAL Utilization	175930	203143	171820	158625	0	156725
Ending Stocks	150	150	150	150	0	150
TOTAL DISTRIBUTION	179150	208012	175150	161150	0	159150

Production

National 1999 salted cod, n.d. production expanded significantly relatively to 1998 levels, boosted by the competitiveness of processing imported frozen cod.

Depressed retail consumption of salted dry cod due to deteriorating cod price ratios with competing food products led to a slowdown in salted cod, n.d. production during the first part of 2000, which is expected to lead to a lower full year production relative to 1999. Another moderate output reduction is forecast for 2001 due to continuing high prices for cod and consumer diversion away from salted dry cod into meat and pre-cooked food products.

Consumption

In 1999, increased demand for salted cod, n.d., for salted dry cod production led to a significant expansion in total salted cod, n.d use.

However, soaring cod import prices during 2000 have depressed total national demand for salted dry cod and consequently for salted cod, n.d.. Another moderate reduction is forecast for 2001, due to expected rising cod prices.

Trade

General

Salted cod n.d. 1999 Portuguese imports declined by 4.3 percent relative to 1998 levels, as the local industry displaced significant salted cod n.d. quantities with lower-priced imported frozen cod for domestic processing. Nevertheless, total salted cod n.d. in value terms was up relative to 1998 levels, reaching $ 262 Million ($ 237 Million in 1998). The sharp drop in Norwegian cod catch and resulting soaring export prices forced the local trade to identify alternative, reasonably-priced salted cod n.d. suppliers. This led to a significant market share recovery on the part of competitive cod producers, most visibly Iceland and Russia. U.S. Alaska cod also became more popular, reaching a total 1999 import value of $ 9 Million ($ 5 Million in 1998).

In 2000, a contraction in domestic salted dry cod consumption led to a reduction in all cod type imports during the first semester. In value terms, total salted cod n.d. imports were also lower, with the National Statistics Office reporting that total Jan/May 2000 imports were only $ 99 Million ($ 132 Million during the same period in 1999). Iceland's import market share continued to grow, presently the second leading source, after Norway. Alaska cod imports from the United States also went up, profiting from the previous year's success as raw material for salted dry cod production and improved trade servicing. In value terms, U.S. Jan/May 2000 exports to Portugal were also up, totaling $ 3.2 Million (for salted cod n.d. value imports from the U.S., please see the Total Edible Fishery Products section). Due to the current price outlook and trends in the salted dry cod retail market, total salted cod n.d. imports are likely to suffer another moderate reduction in 2001.

While less important in quantitative terms than salted cod n.d., salted dry cod trade accounts for an important share of total cod imports in volume and value. During 1999, salted cod imports expanded to $ 128 Million as the large super-market and wholesaler chains pursued economies of scale purchasing the finished product abroad ($ 104 Million in 1998). Affected by the domestic salted dry cod retail sales reduction during 2000, total salted dry cod imports suffered a much larger drop than salted cod n.d. ones to $ 31 Million during the Jan/May 2000 period ($ 48 Million during the same period in 1999).

Trade Matrices for Calendar Years 1998 and 1999, and for Jan/May 1999 and 2000 are provided with data released by the National Statistics Office (INE) as follows.

Trade Matrix

Import Trade Matrix			
Country	Portugal		
Commodity	Cod, Salted		
Time period	Jan/Dec	Units:	Metric Tons
Imports for:	1998		1999
U.S.	6,979	U.S.	9,833
Others		Others	
Denmark	7,986	Denmark	13,937
France	2,005	U.K.	1,611
Netherlands	1,103	Netherlands	1,578
Other EU	1,939	Other EU	304
Norway	88,192	Norway	60,652
Iceland	42,016	Iceland	54,899
Russia	6,979	Russia	21,060
Canada	2,418	Canada	4,688
Total for Others	152,638		158,729
Others not Listed	16,785		300
Grand Total	176,402		168,862

Export Trade Matrix			
Country	Portugal		
Commodity	Cod, Salted		
Time period	Jan/Dec	Units:	Metric Tons
Exports for:	1998		1999
U.S.	0	U.S.	0
Others		Others	
Spain	792	Spain	3,524
Other EU	396	Italy	504
		Greece	378
		Other EU	238
Total for Others	1,188		4,644
Others not Listed	41		75
Grand Total	1,229		4,719

Import Trade Matrix			
Country	Portugal		
Commodity	Cod, Salted		
Time period	Jan/May	Units:	Metric Tons
Imports for:	1999		2000
U.S.	2,570	U.S.	4,264
Others		Others	
Denmark	5,671	Denmark	3,945
Netherlands	659	Other EU	993
Other EU	99	Iceland	31,803
Norway	36,226	Norway	12,168
Iceland	19,602	Russia	9,453
Russia	14,548	Canada	3,744
Canada	1,566		
Total for Others	78,371		62,106
Others not Listed	0		67
Grand Total	80,941		66,437

Export Trade Matrix			
Country	Portugal		
Commodity	Cod, Salted		
Time period	Jan/May	Units:	Metric Tons
Exports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
Spain	2,463	Spain	590
Other EU	410	Greece	330
		Other EU	136
Total for Others	2,873		1,056
Others not Listed	6		6
Grand Total	2,879		1,062

Policy

Tariffs

Imports of salted cod n.d., as well as other cod types, are subject to the EU tariff schedule and trade regime. Accordingly, the United States can export salted cod n.d. under the general full-tariff regime, or under an April-to-December TRQ set for the whole EU.

A summary of import quotas for all cod types in effect during 2000 are given below, together with currently effective tariffs. Note that Norway and Iceland have privileged market access conditions, profiting from reduced tariffs for a series of seafood products negotiated under the old "Letters Exchange" regime, in addition to the preferential trade conditions under the European Economic Space, and access to the EU WTO import quotas.

EU Autonomous import quotas in 1999 & 2000

Tariff Code	Description	Amount of Quota (Mt)		Quota Period	Quota Duty (%)		Regular duty (%)
		1999	2000		1999	2000	
0302.50.10 0302.50.90 0302.69.35 0303.60.11 0303.60.19 0303.60.90 0303.79.41	Cod and *Boreogadus saida*, livers and roes excluded, fresh, chilled or frozen, for processing	67,500	90,000	April 1 to Dec. 31	3.0	3.0	12.00
0303.60.11 0303.60.19 0303.60.90 0303.79.41	Cod and *Borogadus saida*, excluding livers and roes, frozen, for processing.	9,000	8,000	April 1 to Dec. 31	2.5	3.0	12.00
0305.62.00 0305.69.10	Cod and *Borogadus saida*, salted or in brine, but not dried or smoked, for processing	8,000	8,000	April 1 to Dec. 31	3.7	0.0	13.00

WTO quotas

Tariff Code	Description	Amount of Quota (M.T.)	Quota Period	Quota Duty (%)	Regular duty (%)
0305.51.10 0305.51.90 0305.62.00	Cod of the *Gadus morhua* and *Gadus ogac*. species	25,000	Jan-Dec	0	13.00
0305.59.11 0305.59.19 0305.69.10	Fish of the *Boreogadus saida* species.				13.00

Note: The U.S. is excluded from the WTO quotas as Pacific cod (*Gadus macrocephalus*) is excluded.

Marketing

U.S. salted cod, n.d. has considerable market potential in Portugal due to the existence of a significant local market for salted dry cod. U.S. salted cod, n.d. is viewed as comparatively better than U.S. frozen cod in quality terms, as well as in preservation properties. Continuing contacts with the local trade and increased trade servicing should boost U.S. share of the Portuguese salted cod n.d. import market.

Salted cod n.d. is primarily imported by a specialized cod processing industry which includes some of the traditional ship-owners who in the past caught the cod and processed it. Salted dry cod is mostly purchased by wholesalers who supply the local grocers, or by the larger hyper-markets who also import directly.

WHOLE EDIBLE FISHERY PRODUCTS

Production, Supply & Distribution Table

PSD Table						
Country	Portugal					
Commodity	Total Edible Fishery Products				(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Landings/Comm'l Catch	200000	188022	198000	177000	0	170000
Fresh/Frz Production	108000	108000	104400	102000	0	98000
Canned Production	50000	42000	52000	39000	0	37000
Cured Production	2000	1000	2000	1000	0	4000
Total Production	160000	151000	158400	142000	0	139000
Fresh/Frozen Imports	210500	240652	215000	201100	0	200000
Canned Imports	6000	6010	7000	5900	0	5800
Cured Imports	245000	254877	240000	204000	0	202000
TOTAL Imports	461500	501539	462000	411000	0	407800
Fresh/Frozen Exports	60000	60529	65000	62740	0	63000
Canned Exports	13000	11540	14000	11260	0	11200
Cured Exports	10000	12374	11000	22000	0	23000
TOTAL Exports	83000	84443	90000	96000	0	97200
Domestic Consumption	538500	568096	530400	457000	0	449600

Production

In 1999, restrictive fishing TACs (see Policy) and a reduction in harvesting of dominant species caught on national waters led to a 11.4 percent drop in total Portuguese unloaded fish relative to 1998. 1999 value outputs were also considerably lower than in the previous year, totaling $ 342 Million ($ 355 Million in 1998). Due to natural conservation problems and climatic changes, marine species suffered a 1.1 percent reduction, with the dominant sardines at 69,448 Mt (80,250 Mt in 1998). Among other leading species, horse mackerel was also down to 15,573 Mt (23,238 Mt in 1998) and hairtails to 10,447 Mt (13,074 Mt in 1998). Production of crustaceans, mollusk and fresh water fish had a very moderate expansion, totaling 24,890 Mt (22,938 Mt in 1998).

Portuguese total edible fishery products production is expected to drop again in 2000, with the General Fisheries Directorate reporting a 6 percent volume reduction in first semester 2000 fish captures. The reduction is primarily due to the effects of the end of the EU-Morocco fishing agreement at the end of November 1999 (see Policy) and of an abnormal sardine catch drop associated with tropical and sub-tropical water mass movements in the Atlantic. Another moderate total landings reduction is forecast for 2001 as a result of current resource conservation issues in national waters, while fish catch in international waters are becoming subject to increasingly restrictive TACs.

Due to fishing restrictions, Portugal lost 5,300 fishing vessels and 14,336 fishermen from the national fleet over the 90's, about one third of the total at the beginning of the decade. In 1999, the National Statistics Office INE reported that the national fishing fleet was composed of 10,933 vessels (11,189 vessels in 1998). Between 1994 and 1999, a total of 424 fishing vessels were eliminated under EU fisheries re-structuring programs (under which $ 25 Million worth of subsidies were drawn by the sector), while temporary immobilization affected 880 ships. As a consequence of the nature of most international fishing agreements, which are increasingly based upon the formation of joint-ventures, considerable numbers of ships have been transfered from the Portuguese fishing fleet to other countries. In according to the General Fisheries Directorate, 22 ship owners formed mixed capital ventures abroad over the past five years, absorbing $ 13 Million of EU co-financed subsidies. Seven Portuguese ship owners made associations in Angola, two in Cape Verde, seven in Mauritanea, two in the Falklands, one in Cameroon, one in the S. Tomé islands, one in Gabon and one in Guinea-Bissau.

Virtually all the fish catch is sold fresh. The General Fisheries Directorate reports that during 1999, a total of 15,659 Mt of fish were frozen aboard the ships, of which 5,063 Mt were unloaded in foreign ports. Further, some 15,000 5-10,000 Mt of sardines and some 1,000 Mt of octopus are on average frozen by the industry. Local fish processing expanded moderately during recent past years, while most local consumption growth is satisfied with imported products. Most used species for minced and pre-cooked products manufacturing are, by order of importance, hake, flatfish, red fish, cod, and red porgy. Canned fish production suffered a 7.6 percent reduction during 1999 due to the shortage of sardine supply. The General Fisheries Directorate reports that net 1999 canned fish outputs were 49,485 Mt (53,566 Mt in 1998), of which 25,858 Mt were sardines (29,744 Mt in 1998) and 18,586 Mt were tuna fish (19,294 Mt in 1998). Another 6 percent output reduction ensued during the first semester of 2000 in association with the lower fish catch levels, and in particular with the sardine stocks management problems. Under the pressure of declining margins, the aggressive competitiveness of fast-food and ultra-frozen products and increasing negotiating power of modern distribution, the Portuguese canning industry is undergoing a period of crisis and is to profit from important financial supports to be conveyed under the new EU re-structuring investment support program effective in 2000. Quality of both fresh and frozen fish sold in the market is good, complying with EU health directives and regulations.

Consumption

General

Portuguese 1999 total edible fishery product consumption was boosted by the industrial activity increase in the salted dry cod sector (see Groundfish & Salted cod, n.d. chapters). Fresh/frozen fish retail consumption remained mostly stable. Processed seafood products had the largest expansion due to product diversification and strong demand for pre-cooked products, followed by fish types particularly popular in the HRIS channels, namely squid and loligo. Fresh fish consumption, primarily purchased for home-consumption and upper-end HRIS, was also up.

Total fishery products 2000 consumption is expected to be considerably below 1999 levels due to a reduction in salted dry cod demand which, being highly sensitive to price variations, will tend to be largely displaced with very competitively-priced pork and poultry meat products. Consumption of other fish species is in general stable, sustained by the development of the HRIS business and by the expansion of certain niche markets. Sale of ultra-frozen seafood products, mostly imported, is expected to continue to expand. Profiting from relatively favorable prices and high popularity, total crustaceans consumption will also tend to be up.

Domestic total fishery products consumption is forecast down in 2001 due to expected lower salted dry cod demand, where increased prices will cause a significant share of traditional consumers to look for more competitively-priced foods. Ready-to-cook, shellfish, fresh and certain frozen fish types for HRIS use will continue to trend up.

Average Fish Producer and Retail Prices During the First Quarter of 1999 and 2000
(Units: Pte/Kg)

	1999			2000		
	Producer	Retail		Producer	Retail	
		Lisbon	Oporto		Lisbon	Oporto
Mackerel	267.4	732.7	504.2	278.4	785.2	608.3
Sole Fish	2,308.3	2,660.8	2,712.5	2,064.9	3,006.0	3,133.3
Loligo	1,306.1	1,536.7	1,983.3	1,410.5	1,713.2	2,050.0
Hake	1,068.0	1,865.0	1,550.0	944.3	1,798.8	1,975.0
Monkfish	891.8	1,873.8	1,683.3	992.6	2,291.7	2,100.0
Source: General Directorate for Fisheries; 1 USD currently equals 225 Pte						

Consumer Price Index

January to March 1999, 2000			
	January to March, 1999	**January to March, 2000**	**Variatio n (%)**
			(00-99)
TOTAL, except Housing	104.1	105.9	1.8
TOTAL Food Products	105.7	106.1	0.3
TOTAL Fishery Products	123.8	130.1	5.1
Fresh/Chilled Fish/Frozen	111.9	118.4	5.8
Cured Fish or inBrine	148.0	157.8	6.6
Crustaceans & Mollusk	109.4	106.0	- 3.1
Canned Fish	107.9	106.3	- 1.5
Base (100): Average 1991 Prices; Source: National Statistics Institute (INE)			

Trade

Due to higher frozen cod imports, total Portuguese 1999 fishery product imports expanded significantly relative to 1998 levels. EU share in total went up as a consequence of the Single Market, with imported fish consisting not only in locally harvested fish, but also in fish caught in international or foreign waters - particularly in the case of Spain. Most significant changes in non-EU origins in total country ranking reflect changes in cod origins (see Salted cod, n.d. chapter in report). Total seafood imports from the United States had an exceptional expansion during 1999, which was primarily associated with the higher demand for cod, frozen or salted, and for Alaska pollock, which is used by the local industry as a cheap cod substitute. Among other leading seafood imports are loligo, frozen Pacific salmon and monkfish.

Total fishery product imports are expected to drop during 2000 as a consequence of the forecast cod consumption decline. Significant changes in Jan-May 2000 trade over the same period in 1999 are due primarily to changes in cod origin patterns, with Iceland now leading the non-EU origins with its high exports of all cod types, most notably salted dry and n.d.. Also down from 1999 levels, U.S. 2000 trade is affected by the lower frozen cod exports into Portugal, while other key export commodities continue to be also up, namely salted cod n.d., frozen monkfish, loligo and frozen Pacific salmon. National total seafood imports are forecast to suffer a mild reduction in 2001 due to lower cod imports, with demand patterns for other fish types tending to remain unchanged.

Trade matrices for Portugal's total edible fishery products during 1998 and 1999, and Jan/May 1999 and 2000 are given below. This section also includes ranking of U.S. seafood products by value for 1998 and 1999, and for Jan/May 1999 and 2000.

Trade Matrix, Calendar years 1998 & 1999

Import Trade Matrix			
Country	Portugal		
Commodity	Total Edible Fishery Products		
Time period	Jan/dec.	Units:	Metric Tons
Imports for:	1998		1999
U.S.	11,669	U.S.	28,349
Others		Others	
Spain	114,809	Spain	145,433
Denmark	21,188	Denmark	34,896
France	7,683	France	6,684
U.K.	5,661	U.K.	5,257
Netherlands	5,360	Netherlands	4,759
Other EU	8,704	Other EU	8,322
Norway	133,236	Norway	109,889
Iceland	46,022	Iceland	57,515
Russia	37,227	Russia	42,943
Ghana	9,395	Morocco	6,729
Total for Others	389,285		422,427
Others not Listed	51,555		50,763
Grand Total	452,509		501,539

Export Trade Matrix			
Country	Portugal		
Commodity	Total Edible Fishery Products		
Time period	Jan/Dec.	Units:	Metric Tons
Exports for:	1998		1999
U.S.	1,881	U.S.	1,575
Others		Others	
Spain	42,266	Spain	49,731
France	6,535	France	7,161
U.K.	4,251	U.K.	5,709
Italy	3,146	Italy	4,367
Other EU	4,647	Germany	977
Angola	2,332	Other EU	3,273
Canada	1,735	Canada	1,685
Brazil	1,590	Angola	1,537
		Brazil	878
Total for Others	66,502		75,318
Others not Listed	4,646		7,550
Grand Total	73,029		84,443

Trade Matrix, Jan-May 1999 & 2000

Import Trade Matrix			
Country	Portugal		
Commodity	Total Edible Fishery Products		
Time period	Jan/May	Units:	Metric Tons
Imports for:	1999		2000
U.S.	8,261	U.S.	7,211
Others		Others	
Spain	58,140	Spain	52,461
Denmark	8,770	Denmark	6,889
Netherlands	2,294	France	2,202
Other EU	6,546	Other EU	5,952
Norway	58,164	Iceland	32,152
Russia	26,601	Norway	28,654
Iceland	20,774	Russia	11,453
Ghana	3,275	Canada	3,877
Morocco	2,993	S. Africa	3,025
S. Africa	2,661	Ghana	2,744
Total for Others	190,218		149,409
Others not Listed	13,790		16,652
Grand Total	212,269		173,272

Export Trade Matrix			
Country	Portugal		
Commodity	Total Edible Fishery Products		
Time period	Jan/May	Units:	Metric Tons
Exports for:	1999		2000
U.S.	698	U.S.	817
Others		Others	
Spain	16,809	Spain	17,472
France	2,560	France	2,824
U.K.	1,865	U.K.	1,832
Italy	1,190	Italy	1,130
Other EU	2,098	Other EU	1,910
Canada	723	Brazil	1,523
Brazil	341	Canada	751
Angola	194	Angola	146
Total for Others	25,780		27,588
Others not Listed	2,122		1,983
Grand Total	28,600		30,388

Total Seafood Imports from the U.S. During Calendar Years 1998 and 1999

Period: CY 1998			Period: CY 1999		
HTSCN	**PRODUCT**	**1,000 USD**		**PRODUCT**	**1,000 USD**
030360900	Frozen Cod	6469	030360900	Frozen cod	37425
030562000	Salted Cod, n.d.	5497	030562000	Salted cod, n.d.	8543
030379810	Frozen Monkfish	1954	030379810	Frozen monkfish	1064
0303100000	Frozen Pacific Salmon	364	030379550	Frozen Alaska Pollock	1059
330569900	Miscell. Fishes, salted/in brime	238	030250900	Fresh cod	690
030490570	Minced Monkfish	230	030749380	Loligo	616
030379550	Frozen Alaska Pollock	219	030310000	Frozen Pacific salmon	410
030341110	Frozen whole white tuna for processing	143	030569100	Boreogadus saida, salted/in brime	345
030490350	Minced Cod	139	030490570	Minced Monkfish	222
030269990	Miscell. Fish for processing	137	030569900	Miscell. Fished salted/in brime	190
030331900	Frozen Halibut	128	030420210	Frozen minced cod	180
030420830	Minced Frozen Monkfish	69	030622100	Live Lobster	178
030749330	Loligo	56	030341110	Frozen whole white-fin tuna for process.	153
030749380	Loligo	41	030378190	Frozen Silver hake	150
030269810	Fresh Monkfish	37	030490350	Minced cod	115
030379870	Frozen swordfish	25	030380900	Fish roe	84
030622100	Live Lobster	22	030420830	Minced Frozen Monkfish	71
030342900	Yellow-fin tuna for processing	19	030379960	Mixed frozen fishes	48
030760000	Sea snails	15	030510000	Fish pellets	46
030510000	Fish pellets	14	030749590	Loligo	40
030380900	Frozen Roe	5	030420290	Frozen minced cod	31
030614100	Frozen crab	4	030269990	Miscell. Fishes for processing	14
160420100	Salmon preparations	4	030269660	Fresh hake	10
030741910	Chilled/Fresh loligo	3	030420850	Alaska pollock, Minced frozen	8
030791000	Invertebrate	1	030270000	Roe	5
030741990	Fresh/chilled loligo	1	030269680	Fresh silver hake	3
030269550	Fresh anchovies	0	030791000	Loligo	1
030619900	Krill for processing	0	30212000	Pacific salmon	1
160420500	Sardine preparations	0			
030339800	Miscell. Flatfishes	0			
	TOTAL IMPORTS(1,000 USD)	15835		**TOTAL IMPORTS(1,000 USD)**	51701

SOURCE: NATIONAL STATISTICS OFFICE INE. DOLLAR RATES: 1998: 1 USD = 180.96 PTE; 1999: 1 USD = 187.15 PTE.

Total Seafood Imports from the U.S. During Jan/May 1999 & 2000

Period: Jan-May 1999			Period: Jan-May 2000		
HTSCN	**PRODUCT**	**1,000 USD**		**PRODUCT**	**1,000 USD**
030360900	Frozen cod	13474	030360900	Frozen cod	3477
030562000	Salted cod, n.d.	2448	030562000	Salted cod, n.d.	3162
030379810	Frozen Monkfish	423	030379810	Frozen Monkfish	428
030749380	Loligo	253	030749380	Loligo	364
030569900	Miscell. Fishes salted/in brime	147	030379550	Frozen Alaska Pollock	201
030379550	Frozen Alaska Pollock	139	030310000	Frozen Pacific Salmon	195
030310000	Frozen Pacific salmon	97	030622100	Live Lobster	115
030420830	Minced frozen monkfish	72	030269990	Miscell. Fresh/Chilled fishes	79
030749590	Loligo	41	030749330	Loligo	49
030380900	Fish roe	29	030341110	Whole white-fin tuna for processing	40
030510000	Fish pellets	28	030510000	Fish pellets	37
030269990	Miiscell. Fishes for processing	14	160413190	Fish roe preparations	21
030622100	Live Lobster	5	030269680	Fresh silver hake	18
030269680	Fresh Silver Hake	3	030569900	Miscell. Fishes, salted/ in brime	10
030490570	Minced Monkfish	0	030621000	Fresh craw-fish	5
030490350	Minced cod	0	030729900	Sea mussels	1
	TOTAL IMPORTS(1,000 USD)	17174		**TOTAL IMPORTS(1,000 USD)**	8203

SOURCE: NATIONAL STATISTICS OFFICE INE. DOLLAR RATES: JAN-MAY 1999: 1 USD = 182.19 PTE; JAN-MAY 2000: 1 USD = 208.52 PTE.

Policy

General

National policies in the fisheries sector are presently focused upon the sustainability of fish resources in national Exclusive Economic Zone (EEZ), where the catch of twelve protected species has remained worryingly below the EU-set TAC levels. In particular, the National Fisheries Directorate reports that out of the total EU-assigned 67,700 Mt 1999 fish TACs for national waters, only 33,000 Mt were eventually caught by Portuguese fishermen, an unchanged trend from 1998. Due to these fish stocks problems, 2000 fish TACs in national EEZ - as well as in other EU countries - were revised downwards. Accordingly, the Portuguese fleet was only allowed to capture 850 Mt of monkfish, 2,300 Mt of hake, 900 Mt of crawfish, slightly more than 36,000 Mt of horse mackerel and 1,245 Mt of sole fish, among others during 2000.

Fishing in international waters is subject to the TAC regime or to bi-lateral fishing accords, all negotiated by the EU. Key fish species are subject to the TAC regime, including cod, hake, flatfish and red fish among a long list of others. Among the different fishing accords for access to foreign EEZs, the EU-Moroccan accord has an especially important role as it covered over thirty national fishing vessels prior to the end of the Accord in November 30, 1999. The previously effective agreement was based on the conveyance of fishing quotas by the Moroccan authorities in exchange for a financial payment, and on EU tariff concessions for certain Moroccan seafood products. The future agreement presently under negotiations is expected to be based instead on the formation of mixed societies and joint-ventures. Please find a summary table with Portuguese fish catch in foreign and international waters below.

PORTUGAL: SEAFOOD CATCH IN INTERNATIONAL WATERS

YEAR: 1998		YEAR: 1999	
REGION	**WEIGHT (Mt)**	**REGION**	**WEIGHT (Mt)**
NAFO	9,682	NAFO	16,554
Cod	550	Cod	327
Red Fish	2,368	Red Fish	6080
Flat Fish	3,241	Flat Fish	3,995
Other	3,523	Other	6,152
NORWAY	4,356	NORWAY	2,442
Cod	3,495	Cod	2,223
Red Fish	124	Red Fish	58
Other Species	737	Other Species	154
SVALBARD	2,370	SVALBARD	2,619
Cod	1,967	Cod	1,655
Red Fish	7	Red Fish	8
Other species	396	Other species	956
ICELAND (IRMINGER SEA)	4,152	ICELAND (IRMINGER SEA)	4,302
Red Fish	4,132	Red Fish	4,302
Other species	20	Other species	-
MOROCCO	5,046	MOROCCO	3,997
Hairtails	3,356	Hairtails	2,932
Hake	388	Hake	17
Other	1,302	Other	1,048
MAURITANEA	1,617	MAURITANEA	89
Dogfish	8	Dogfish	30
Pargo	29	Pargo breams	16
Hake	856	Hake	17
Other species	724	Other species	26
GUINEA BISSAU	1,253	GUINEA BISSAU	704
Sole Fish	59	Sole Fish	-
Shrimp	421	Shrimp	178
Prawn	477	Prawn	157
Squid	131	Squid	86
Other species	165	Other species	283

(To be continued)

PORTUGAL: SEAFOOD CATCH IN INTERNATIONAL WATERS (Cont.)

YEAR: 1998		YEAR: 1999	
REGION	**WEIGHT (Mt)**	**REGION**	**WEIGHT (Mt)**
FALKLANDS	1,933	SPAIN	2,984
Forkbeards	5	Horse Mackerel	837
Squid	0	Sarda	383
Hake	303	Sardines	724
Loligo	1,531	Blue whiting	207
Other Species	94	Other Species	833
OTHER AREAS	6,651	OTHER AREAS	2,794
Tuna & Similar	1,186	Tuna & Similar	689
Horse Mackerel	32	Craw-Fish	15
Cod	1,518	Ray	22
Sardines	956	Monkfish	332
Other Species	2,959	Other Species	1,736
TOTAL	37,060	TOTAL	36,485

SOURCE: NATIONAL STATISTICS INSTITUTE INE.

The Portuguese fisheries sector has access to EU support measures including fleet and factory modernization incentive programs, under which $ 322 Million of EU co-financed investments were drawn by the sector during the 1994-1999 period. Special financial compensations to Portuguese fishermen affected by the current situation with the EU-Moroccan fishing agreement have been recently announced by the local authorities. In addition, a new easy-credit line has been announced in September 2000 to support fishermen with loan problems due to past investments.

Marketing

Current fish stocks problems and restrictive TACs in national and international waters create export opportunities for non-EU seafood exporters. Cod for processing remains the most attractive U.S. export product, even if total national industry demand is subject to major fluctuations depending on the price relationship between salted cod sold at retail and a series of food products, including meat (for more on cod, please see the Groundfish and Salted cod, n.d. chapters of report).

In addition to cod, several other seafood imports are imported from the United States for processing. In addition to the industrial sector, Portuguese HRIS is the other main import channel for U.S. seafood, accounting for the bulk of the local demand for U.S. frozen monkfish and salmon, and squid/loligo. Continuing diversifying consumption patterns and changing lifestyles will continue to enable higher U.S. seafood sales into Portugal in the future.

Fresh fish is imported directly by wholesalers. The bulk of the frozen fish importers - basically fish processors - is grouped under two wholesaler associations, based in Lisbon and in Matosinhos. Hyper-markets and restaurants tend to buy either from wholesalers or in local markets. Direct importation by these entities is rare and tends to be done only when special promotions take place. There are different marketing channels for salted cod (see SALTED COD Section). Portuguese seafood importations are subject to EU rules and regulations, including tariff schedule and hygiene and sanitary norms.