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## Fishery Products

## Annual

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### Report Highlights:

**Due to increasingly restrictive international fishing policies, Portuguese fish landings are forecasted to decrease to 150,000 Mt in 2001, and to continue to decrease over the medium-term. This is expected to spur total seafood imports up to a forecasted 448,300 Mt in 2000` and 454,400 Mt in 2002. U.S. seafood exports to Portugal totaled \$29 Million during Jan/July 2001, headed toward a record year. Cod products accounted for 76 pct of total U.S. seafood exports to Portugal. 1 USD = 219 Pte.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
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## Executive Summary

Restricted access to fish stocks and a reduction in the national fishing fleet led to a 11.7 pct reduction in Portuguese total CY-2000 fish catch down to 166,000 Mt. Another reduction in total fish landings is anticipated for CY-2001, with the Portuguese fisheries directorate reporting a 32.4 pct reduction in production of dominant fish species during the first quarter of 2002 relative to the same period of 2001. Portuguese total CY-2001 and CY-2002 fish landings are forecasted by AGOFFICE at 150,000 Mt and 140,000 Mt respectively. Increasingly restrictive EU fishing agreements with third countries and a continuing re-structuring of the national fishing fleet are expected to depress total Portuguese fish production over the medium-term.

Due to a temporary slowdown in local cod processing activity, total Portuguese seafood imports suffered a 12 pct reduction in volume during CY-2000 relative to CY-1999 levels, remaining at 442,217 Mt fresh weight basis (\$ 845 Million value total). Trade levels have rebounded in 2001, as a consequence of dropping fish catch levels. The national statistics office reports that total seafood imports by volume increased by 12 pct during Jan-May 2001 relative to the same period in 2000, which corresponded to a 22 pct increase in dollar value terms. All major seafood groupings were up in terms of value. In volume terms, fresh whole fish decreased by 8.9 pct. However, in volume, frozen whole fish increased up by 28.9 pct, minced fresh/frozen fish by 39 pct, salted/dry fish by 2.8 pct, squid & loligo by 16.7 pct, shellfish by 56 pct and processed seafood by 17.3 pct. Total CY-2001 and 2002 seafood imports are forecasted by AGOFFICE at 448,300 Mt and 454,400 Mt respectively. As a consequence of dropping fish catch levels, local imports of seafood are expected to continue to trend upward over the medium-term.

With a Jan-Jul 2001 total of \$ 29 Million worth of seafood export into Portugal (111 pct increase relative to the same period in 2000 - Source: US Bureau of Census data), the United States is heading for a record year of seafood sales into Portugal. A large share of this expansion was due to frozen cod and salted cod n.d. for processing into the popular salted dry cod, which has accounted for 76.4 pct of total 2001 value trade thus far. After cod, frozen monkfish, loligo, Pacific salmon, live lobster and fresh crawfish stand out with the larger significance in terms of total sales and/or largest expansion rates relative to 2000 levels. The rising national seafood importing trends will tend to favorably affect U.S. seafood exporters over the medium-term as well. Demand for Atlantic and Pacific cod for processing will tend to remain strong due to a stable local market for the traditional salted dry cod, while increasingly diversified consumption patterns will continue to expand potential opportunities for a larger variety of products.

1 USD = 219 PTE

## Commodity Name: Groundfish, Whole/Eviscerated

### Production, Supply & Distribution Table

PSD Table						
Country	Portugal					
Commodity	Groundfish, Whole/Eviscerated					(MT)
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Beginning Stocks	5000	5000	5000	5000	5000	5000
Total Production	5000	4450	4500	3800	0	3500
Intra-EC Imports	26252	30030	27000	39000	0	40000
Other Imports	35748	33263	36000	50000	0	52000
TOTAL Imports	62000	63293	63000	89000	0	92000
TOTAL SUPPLY	72000	72743	72500	97800	5000	100500
Intra-EC Exports	8780	8748	9000	10000	0	11000
Other Exports	3340	430	3500	630	0	750
TOTAL Exports	12120	9178	12500	10630	0	11750
Domestic Consumption	54880	58565	55000	82170	0	83750
Other Use/Loss	0	0	0	0	0	0
TOTAL Utilization	54880	58565	55000	82170	0	83750
Ending Stocks	5000	5000	5000	5000	0	5000
TOTAL DISTRIBUTION	72000	72743	72500	97800	0	100500

### Production

#### General

Restrictive groundfish Total Allowed Catch (TACs) levels led to a reduction in total national 2000 groundfish catch. The national statistics office (INE) reports that unloaded cod and hake totaled 1,353 Mt and 3,000 Mt respectively during CY-2000 (1,327 Mt and 3,398 Mt respectively in CY-1999). The remaining production indicated in the PSD Table above is accounted for by whiting, pollock, haddock and halibut. A moderate reduction in total catch is expected for CY-2001 due to restrictive fishing regulations. The lack of renewal of the EU-Morocco fishing agreement will affect total 2001 hake captures, with the general fisheries directorate (DGP) reporting a 26 pct reduction in first quarter 2001 hake catch relative to first quarter 2000 levels. However, total cod captures will tend to remain mostly

stable, with DGP reporting that cod stocks in Atlantic regions in which Portugal has EU-assigned fishing rights (see Policy section) are not affected by the same conservation problems as the Northernmost Atlantic countries.

Production data in the PS&D table 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, haddock and halibut.

## Quality

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

In the case of cod, the Portuguese have additional quality standards of their own. The traditional Atlantic cod - *Gadus morhua* - is the local reference, and preferred over other species for the production of the popular salted dry cod. Pacific cod (*Gadus macrocephalus*), the main U.S. cod export variety, is considered to be of lower quality due to its edible and texture differences which, even in the higher-quality products, are considered to lead to a lower-quality end-product. Generally, the larger, thicker codfish are considered to lead to significantly higher-quality products, which tends to be reflected in a considerable price difference. Pollock is viewed as a lower-quality, cheap cod substitute for processing. Fresh silver hake imported by air from the United States is considered to be of high quality.

## Consumption

Portuguese total groundfish consumption is expected to pick up significantly in 2001 as a consequence of improved market sourcing conditions during the current year (see under Policy section). An increased liberalization in frozen cod imports as of January 2001 is enabling the local frozen cod processing activity to pick up during the current year. This is to consist primarily of the production of salted cod n.d., later used to produce the popular salted dry cod, as well as the frozen pre-wetted salted cod (see also "Salted Cod, n.d." section). Demand for other groundfish, including fresh cod, pollock and whiting for mincing, as well as frozen hake for direct home consumption or for mincing are expected to increase. In addition to cod for uses indicated above, groundfish processing activity will generally tend to increase, encouraged by a growing demand for diversified products, particularly in the easy-to-cook product area. Fresh hake consumption remained mostly unchanged, and is primarily addressed by locally produced fish. These trends will tend to remain mostly unchanged in 2002.

## Trade

The changed EU frozen cod import regime (see Policy section) has led to a sharp expansion in total

groundfish imports during the current year. During Jan-May 2001, total frozen cod imports rose by 98 pct in volume terms over Jan-May 2000, accounting for 45 pct of total groundfish imports during that period. The bulk of the import increase reflects directly in the local levels of salted cod n.d. production, the intermediate product of the salted dry cod and frozen pre-wet salted dry cod production process. Frozen hake imports, the second most significant imported groundfish, rose by 14 pct in volume terms during Jan-May 2001 over Jan-May 2000, accounting for 39 pct of total groundfish imports during that period. These trends will tend to remain unchanged in 2002.

Favored by improved import conditions into the EU, U.S. total groundfish exports into Portugal increased significantly during Jan-May 2001 over Jan-May 2000 levels, and are expected to rebound during the full year. Given the present EU import regime for cod, and strong local demand for frozen cod for processing, total cod imports from the United States should continue to continue to expand in 2002.

Groundfish trade matrices for CY-1999 and CY-2000, and for Jan-May 2000 and 2001 are given below. For breakdown of imports from the United States by species, please see Trade section under "Total Edible Fishery Products".

## Trade Matrix, CY 1999 &amp; 2000

Import Trade Matrix			
Country	Portugal		
Commodity	Groundfish, Whole/Eviscerated		
Time period	Jan/Dec	Units:	Metric Tons
Imports for:	1999		2000
U.S.	16730	U.S.	6991
Others		Others	
Spain	30620	Spain	27417
U.K.	1314	U.K.	1320
Denmark	712	Denmark	664
Other EU	169	Germany	519
Russia	17133	Other EU	87
Norway	6853	Russia	12635
S. Africa	5279	S. Africa	5667
Iceland	764	Norway	3200
New Zealand	369	Iceland	505
		New Zealand	304
Total for Others	63213		52318
Others not Listed	2808		3984
Grand Total	82751		63293

Export Trade Matrix			
Country	Portugal		
Commodity	Groundfish, Whole/Eviscerated		
Time period	Jan/Dec	Units:	Metric Tons
Exports for:	1999		2000
U.S.	16	U.S.	18
Others		Others	
Spain	4985	Spain	5502
U.K.	2658	U.K.	2024
France	774	France	677
Denmark	411	Denmark	348
Belgium-Lux	134	Other EU	197
Other EU	184	Japan	133
Japan	475		
Total for Others	9621		8881
Others not Listed	379		279

Grand Total	10016		9178
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**Trade Matrix, Jan/May 2000 & 2001**

Import Trade Matrix			
Country	Portugal		
Commodity	Groundfish, Whole/Eviscerated		
Time period	Jan/May	Units:	Metric Tons
Imports for:	2000		2001
U.S.	2240	U.S.	4765
Others		Others	
Spain	10257	Spain	11653
U.K.	230	U.K.	1216
Denmark	103	Denmark	543
Other EU	61	Germany	303
Norway	2680	Other EU	140
S. Africa	2347	Russia	7423
Russia	1938	S. Africa	3324
Iceland	136	Norway	1885
Argentina	132	Iceland	328
New Zealand	113	New Zealand	308
Total for Others	17997		27123
Others not Listed	1514		1416
Grand Total	21751		33304

Export Trade Matrix			
Country	Portugal		
Commodity	Groundfish, Whole/Eviscerated		
Time period	Jan/May	Units:	Metric Tons
Exports for:	2000		2001
U.S.	8	U.S.	7
Others		Others	
Spain	2113	Spain	3341
U.K.	962	U.K.	290
Denmark	210	France	273
France	58	Other EU	87
Germany	43		
Other EU	51		
Japan	9		
Total for Others	3446		3991

Others not Listed	74		256
Grand Total	3528		4254

## Policy

### General

Portuguese resource management in national and international waters is coordinated by the EU, which also negotiates fishing quotas (the Total Allowed Catch levels - TACs) for Portugal. All international fishing agreements, including Portuguese bi-lateral accords are negotiated by the EU.

The expiration of the EU-Morocco Agreement on November 30, 1999, produced significant consequences for local 2000 total groundfish catch, particularly visible in the case of hake. Special financial compensations for affected fishermen have been instituted by the Portuguese authorities. A new specific fleet re-conversion program has also been developed to become effective in 2002 (see more under Policy in "Total Edible Fisheries Products"). For a listing of most significant TACs in effect in 2001, compared to 2000, please check also the Policy section of the "Total Edible Fisheries Products" chapter of report.

### Tariffs

Portuguese groundfish imports are subject to EU-set import tariffs. EU tariff rate quotas (TRQs), under which certain non-EU groundfish are allowed to come in at reduced-tariffs within certain quantitative limits, are also in effect in Portugal. A synthesis of currently effective EU import regime for cod products is given in the tariff section of the "Salted cod, n.d." chapter of present report.

## Marketing

Limited fishing resources in EU waters and improved market access conditions for frozen cod generally have led to favorable marketing prospects for U.S. groundfish exporters. In addition to frozen cod, which will continue to lead not only the groundfish, but the total edible fishery products total trade with the United States, Pacific pollock, halibut and hake will continue to offer good opportunities to U.S. exporters. Frozen Pacific pollock will be favored by the expanding cod processing activity and by the development of the HRI sector, to be used for the production of cod-similar processed products - both to be salted and dried, or to be further processed into a series of pre-cooked products. U.S. frozen halibut (749 Mt in Jan-May 2001, 82.7 pct above Jan-May 2000), is also faced with favorable prospects due to the developing fish processing activity. Silver hake continues to benefit from a market niche, favored by a stable demand for the manufacture of traditional dishes. Silver hake imports from the United States tend to be only viable during the occasional market shortages that compensate for the high costs of flying the product into the country.

Factors negatively affecting the United States include the high dollar exchange rate relative to the Euro and high shipping costs, comparably higher than those of competing EU and Russian suppliers. Alaska cod is further affected by its edible characteristics which, as indicated in the consumption section, tend to lead to a generally poorer quality perception by the users. Access to the local cod market is further critically affected by the competitiveness of Norway and Iceland who benefit from special trade conditions negotiated under the European Economic Space (see more under "Salted cod, n.d."). Russia is another strong competitor, both with Atlantic and Pacific cod. Due to the dominant cod types marketed from this origin - reportedly smaller 1 to 1.5 kg codfishes - Russia is viewed by local trade sources as the closer U.S. competitor in this market. Imported seafood must meet EU sanitary and labeling regulations.

## Commodity Name: Salted Cod, Not Dry

### Production, Supply & Distribution Table

PSD Table						
Country	Portugal					
Commodity	Cod, Salted					(MT)
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Beginning Stocks	150	150	150	150	150	150
Total Production	20000	22000	20000	38000	0	40000
Intra-EC Imports	13000	11414	12000	6300	0	6000
Other Imports	128000	128639	127000	116200	0	114000
TOTAL Imports	141000	140053	139000	122500	0	120000
TOTAL SUPPLY	161150	162203	159150	160650	150	160150
Intra-EC Exports	2300	2799	2200	4800	0	4900
Other Exports	75	1254	75	350	0	400
TOTAL Exports	2375	4053	2275	5150	0	5300
Domestic Consumption	158625	158000	156725	155350	0	154700
Other Use/Loss	0	0	0	0	0	0
TOTAL Utilization	158625	158000	156725	155350	0	154700
Ending Stocks	150	150	150	150	0	150
TOTAL DISTRIBUTION	161150	162203	159150	160650	0	160150

### Production

Portuguese CY-2001 salted cod n.d. production is expected to have a large increase as a consequence of the significantly increased frozen cod supply (see "Groundfish" section). Salted cod n.d. production from locally harvested cod is presently symbolic relative to historic past levels, in average terms limited to some 50 pct of the national cod captures. This forces the local cod salting industry to rely almost entirely on the international market for sourcing its raw material. Given forecasted frozen cod trade trends for 2002, Portuguese total salted cod n.d. production is likely to continue to increase in 2002 as well.

### Consumption

National total salted cod n.d. consumption is expected to be moderately depressed in 2001 as a consequence of larger imports of salted dry cod from Iceland and Norway. Total salted n.d. consumption will tend to remain strong though, favored by moderately improved conditions of raw material supply and by the competitiveness of the local cod industry. Salted cod n.d. is primarily utilized for the production of salted dry cod, as well as for the production of ultra-frozen pre-wetted salted cod. As an intermediate product, salted cod n.d. is favored for its ideal stocking properties, which give the industry flexibility in finished product delivery to the retailers. Ultra-frozen pre-wetted salted cod is a relatively new product which was introduced about six years ago and gradually expanded to presently account for some 30 pct of total salted cod n.d. industrial use. This product, presently produced by roughly 30 locally-based companies, derives its competitiveness from its capability to attract the younger generations who tend to avoid handling salted dry cod due to its considerable time-requirements.

## **Trade**

### General

Increased salted cod n.d. production will tend to depress total salted cod n.d. imports during 2001. During Jan.-May 2001, total salted cod n.d. value imports totaled \$ 105 Million (\$ 99 Million in Jan-May 2000). Volume imports from the United States suffered a moderate decline, discouraged by the comparative economic advantage of bringing frozen cod in. However, due to the generally higher prices and strong dollar, total value imports of U.S. salted cod n.d. rose by 55 pct during Jan-May 2001 over Jan-May 2000, totaling \$ 4.9 Million. Iceland, the import market leader has asserted itself among the local trade for its reportedly good trade practices and quality standards. Norway remains a strong competitor due to its preferential market access conditions as well as to large Government-sponsored advertisement campaigns. These trends will tend to remain mostly unchanged in 2002.

Trade Matrices for CY 1999 and 2000, and for Jan/May 2000 and 2001, with information released by the national statistics office (INE) are given below.

## Trade Matrix, CY 1999 &amp; 2000

Import Trade Matrix			
Country	Portugal		
Commodity	Cod, Salted		
Time period	Jan/Dec	Units:	Metric Tons
Imports for:	1999		2000
U.S.	9833	U.S.	11099
Others		Others	
Denmark	13937	Denmark	8699
U.K.	1611	U.K.	1330
Netherlands	1578	Netherlands	1115
Other EU	304	Other EU	270
Norway	60652	Iceland	67568
Iceland	54899	Norway	27308
Russia	21060	Russia	14412
Canada	4688	Canada	6437
Total for Others	158729		127139
Others not Listed	300		1815
Grand Total	168862		140053

Export Trade Matrix			
Country	Portugal		
Commodity	Cod, Salted		
Time period	Jan/Dec	Units:	Metric Tons
Exports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
Spain	3524	Spain	2111
Italy	504	France	235
Greece	378	Italy	199
Other EU	238	Greece	176
		Other EU	78
Total for Others	4644		2799
Others not Listed	75		1254
Grand Total	4719		4053

**Trade Matrix, Jan/May 2000 & 2001**

Time period	Jan/May	Units:	Metric Tons
Imports for:	2000		2001
U.S.	4264	U.S.	4184
Others		Others	
Denmark	3945	Denmark	1893
Other EU	993	Other EU	802
Iceland	31803	Iceland	29401
Norway	12168	Norway	20086
Russia	9453	Russia	4316
Canada	3744	Canada	2701
Total for Others	62106		59199
Others not Listed	67		167
Grand Total	66437		63550

Export Trade Matrix			
Country	Portugal		
Commodity	Cod, Salted		
Time period	Jan/May	Units:	Metric Tons
Exports for:	2000		2001
U.S.	0	U.S.	0
Others		Others	
Spain	590	Spain	1180
Greece	330	Greece	516
Other EU	136	France	130
		Other EU	15
Total for Others	1056		1841
Others not Listed	6		147
Grand Total	1062		1988

## Policy

### Tariffs

Salted cod n.d. imports are subject to the EU-set import tariff regime. Cod products are the object of a complex import legislation which institutes differentiated market access to non-EU suppliers. Of particular significance are the preferential market access conditions instituted for Norway and Iceland. These countries benefit from special reduced import tariffs for a list of seafood products negotiated under an old "Letters Exchange" regime in addition to preferential trade conditions negotiated under the European Economic Space and to the EU "WTO" import quotas.

A summary of the cod import regime in 2000 and in 2001 is given in the following tables. Atlantic cod (*Gadus morhua*) has access to both "Autonomous" and "WTO" cod import quotas. Though small quantities of Atlantic cod are said to be imported from the East Coast of North America, especially from the New Scotia area, the bulk of cod imports from the United States originates in Alaska. Alaska cod (*Gadus macrocephalus*) is excluded from the WTO quota.

## EU Autonomous import quotas in 2000 &amp; 2001

Tariff Code	Description	Amount of Quota (Mt)			Quota Period		Quota Duty (%)		Regular duty (%)
		1999	2000	2001	1999/00	2001	1999	2000/01	
0302.50.10 0302.50.90 0302.69.35 0303.60.11 0303.60.19 0303.60.90 0303.79.4 1	Cod and <i>Boreogadus saida</i> , livers and roes excluded, fresh, chilled or frozen, for processing	67500	90000	Without ceiling	April 1 to Dec. 31	Jan 1 - Dec 31	3	3	12
0303.60.1 1 0303.60.1 9 0303.60.9 0 0303.79.4 1	Cod and <i>Boreogadus saida</i> , excluding livers and roes, frozen, for processing.	9000	8000	Without ceiling	April 1 to Dec. 31	Jan 1 - Dec 31	2,5	3	12
0305.62.0 0 0305.69.1 0	Cod and <i>Boreogadus saida</i> , salted or in brine, but not dried or smoked, for processing	8000	8000	10,000	April 1 to Dec. 31	(regime will be in effect through Dec. 2003)	3,7	0	13
Presently, there are 6,047 Mt left from total quota.									

## 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 <i>Gadus morhua</i> and <i>Gadus ogac.</i> species	25000	Jan-Dec	0	13
0305.59.11 0305.59.19 0305.69.10	Fish of the <i>Boreogadus saida</i> species.				13

Note: Pacific cod is excluded from the WTO quotas. Quota has been filled since September 06.

## EU Salted Dry Cod Import Quota for Norway

Product description	Total quota	Import duty (%)	Application Period	Available quota
Salted Dry Cod	13,250 Mt	0 pct	April 1 to Dec 31	10,903 Mt

## Marketing

Salted cod n.d. will tend to remain at the top of U.S. seafood product trade with Portugal, favored by a strong local demand for salted cod n.d. as well as by a more favorable perception of Alaska salted cod n.d. quality standards by the local industry relative to U.S. frozen cod.

Some restrictions affect U.S. cod exports into Portugal. In addition to the EU cod trade regime, salted cod n.d. is presently affected by the strong dollar and high transportation costs. Further, the U.S. salted cod n.d. competitiveness in the local market is also sensitive to the competitiveness of imported frozen cod, as well as that of salted dry cod. Finally, as already indicated, Pacific cod is perceived to be generally of lower quality than Atlantic cod.

Salted cod n.d. is primarily imported by a specialized cod processing industry. This includes some of the traditional ship-owners who in the past caught the cod and processed it, in addition to a series of middlemen who have in recent years extended their wholesaling activity into cod importing and processing. Salted dry cod is mostly purchased by wholesalers who supply the local grocers. The share of salted dry cod which is directly imported by the retailers tends to be small, as cod trade requires some expertise which the large retailers usually do not have.

## Commodity Name: Whole Edible Fishery Products

### Production, Supply & Distribution Table

PSD Table						
Country	Portugal					
Commodity	Total Edible Fishery Products				(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Landings/Comm'l Catch	177000	166083	170000	150000	0	140000
Fresh/Frz Production	102000	94800	98000	84300	0	78800
Canned Production	39000	37400	37000	35000	0	32500
Cured Production	1000	700	4000	700	0	700
Total Production	142000	132900	139000	120000	0	112000
Fresh/Frozen Imports	201100	219739	200000	225000	0	230000
Canned Imports	5900	6267	5800	6300	0	6400
Cured Imports	204000	216211	202000	217000	0	218000
TOTAL Imports	411000	442217	407800	448300	0	454400
Fresh/Frozen Exports	62740	62527	63000	65000	0	70000
Canned Exports	11260	11249	11200	11200	0	11000
Cured Exports	22000	14237	23000	16000	0	17000
TOTAL Exports	96000	88013	97200	92200	0	98000
Domestic Consumption	457000	487104	449600	476100	0	468400

### Production

Generally affected by restrictive international fishing policies, and especially by the failure to renew the EU-Morocco fishing agreement which expired in November 1999, Portuguese total CY-2000 unloaded fisheries was down by 11.7 pct in volume relative to previous year levels. The larger share of the reduction was due to sardines, which were particularly affected by the end of the EU-Morocco agreement. Accordingly, total CY-2000 sardine catch was reported by DGP to have remained 9.7 pct under CY-1999 levels at 62,734 Mt. Total fish caught in international waters also dropped, remaining at 36,305 Mt, 11 pct below 1999 levels. This was largely accounted for by production from North Atlantic Fishing Organization (NAFO) waters, with 35.4 pct of the total (40.7 pct in 1999). NAFO fish catch was dominated by red fish, which accounted for 44 pct of total fish caught, and was the only species caught in

Iceland and Greenland. Aquiculture suffered an unexpected 16.7 pct reduction during CY-2000 due to a 57.8 pct drop in clam production brought on by sanitary reasons.

Legal fishing restrictions and continued reduction in national fishing fleet size will tend to lead to another reduction in total 2001 fish catch levels. The Portuguese general fisheries directorate (DGP) reports a 32 pct reduction in first quarter 2001 total unloaded fish relative to first quarter 2000 levels due to large reductions in most significant species, with the three leading fish volume landings - sardines, mackerel and octopus - being down by 43.6, 23.5 and 34.6 pct respectively relative to first quarter 2000. Under the effects of the on-going re-structuring of the national fishing fleet, Portuguese total fish catch is forecasted to continue to trend down in 2002.

Virtually all the 2000 fish catch continued to be sold fresh, with only some 30,000 Mt being frozen either aboard or by the local fish processing industry. Canned fish production continued to trend down, unable to compete with other processed food products in the market. DGP reports that during CY-2000, total canned fish production suffered a 10.9 pct reduction relative to 1999, due primarily to a 14.3 pct decline in sardine canning activity. Data recently released by DGP confirms continuation of these trends in 2001, with total first quarter 2001 canned fish production remaining 18 pct under first quarter 2000. This was mostly due to the canned sardine segment, which suffered a 27.8 pct reduction, depressed by the raw product shortage which ensued due to the end of the EU-Morocco fishing agreement. Cured fish production remained minimal in 2000 due to lack of product supply (see "Groundfish" section). This is expected to remain basically unchanged in 2001. Total seafood production used for other industrial uses, namely for mincing and for the production of pre-cooked products, continued to trend up in 2000 and is expected to continue to expand in the near future. Utilized fish species for this purpose will tend to continue to be dominated by hake, flatfish, red fish, cod, and red porgy, by order of importance. Quality of both fresh and frozen fish sold in the market is good, complying with EU health directives and regulations.

DGP reports that a total of 25,021 fishermen were registered during CY-2000, six pct down from 1999. During 2000, the national fishing fleet was constituted by 10,750 vessels. Small ships of less than five tons accounted for some 84 pct of total number of vessels registered, as well as for 11 pct of total tonnage. The national fishing fleet is distributed among 45 registration ports, of which 32 are located in mainland Portugal, 11 in the Autonomous Region of the Azores, and 2 in the Autonomous Region of Madeira.

## **Consumption**

### **General**

The sharp average price increase in seafood products during the first months of 2001 (see price index table below) will tend to moderately depress total national seafood product consumption relative to 2000 levels. One of the hallmarks of the Portuguese seafood market, salted dry cod (and substitute pre-wetted ultra-frozen salted cod - see "Cod" section) is expected to account for a roughly stable 50 pct share of total seafood products sold at retail in raw weight basis, equivalent to estimated 80,000 Mt, salted dry

basis. However, total fresh/frozen consumption is expected to decrease, affected by price competitiveness and by demand pattern factors. Some consumption will be diverted into other “modern” and aggressively promoted food products, while the housewife “relationship” with fish cooking will continue to stimulate fish replacement with easier-to-cook meat products. Consumption of high-quality fresh fish will tend to continue to trend up, driven by an expansion in upper-end HRI activity levels. Total shellfish consumption is also expected to trend up, drawn by an expanding seafood restaurant and beerhouse activity. Minced fish, squid and loligo will also tend to expand as a consequence of higher fish processing activity levels and of the HRI channels in general. Rising demand for pre-cooked products will also tend to continue to drive up total national processed fish product consumption.

These consumption trends will tend to remain unchanged in 2002. Total seafood products consumption will tend to continue to be eroded by aggressively marketed non-seafood product substitutes, which are especially expected to lead to lower fresh/frozen seafood total use. Total salted/frozen pre-wetted salted cod consumption will tend to remain mostly stable. Among products of particular interest to U.S. suppliers, salmon, monkfish and shellfish, in addition to squid and loligo and frozen/salted cod, n.d., are some of the species facing stronger demand in 2002.

### Average Fish Producer and Retail Prices During the First Quarter of 1999 and 2000

(Units: Pte/Kg)

	IST Quarter 2000			IST Quarter 2001		
	Producer	Retail		Producer	Retail	
		Lisbon	Oporto		Lisbon	Oporto
Mackerel	278.4	785.2	608.3	356.5	788.4	670.8
Sole Fish	2,064.9	3,006.0	3,133.3	2,238.3	2,853.7	3,750.0
Loligo	1,410.5	1,713.2	2,050.0	1,429.5	1,552.7	1,816.7
Hake	944.3	1,798.8	1,975.0	1,033.7	1,835.2	1,800.0
Monkfish	992.6	2,291.7	2,100.0	1,220.7	1,879.3	2,808.3

Source: General Directorate for Fisheries; 1 USD currently equals 220 PTE

### Consumer Price Index

January to March 2000 & 2001			
	January to March, 2000	January to March, 2001	Variation (%) (2001-00)
TOTAL, except Housing	1059	1110	48
TOTAL Food Products	1061	1136	71
TOTAL Fishery Products	1301	1421	92

Fresh/Chilled Fish/Frozen	1.184158e+15	1.33717e+15	12.9
Cured Fish or in Brine			6.3
Crustaceans & Mollusk			7.2
Canned Fish			-1.2
<b>Base (100): Average 1997 Prices; Source: National Statistics Institute (INE)</b>			

## Trade

Portuguese total seafood product imports are expected to increase in CY-2001, as a consequence primarily of the larger activity levels of the local cod processing industry (see "Cod, salted n.d." section). This will particularly result from the larger use of frozen cod, the key raw-material for local fish processing. Total imports of cured fish are liable to increase somewhat under the effects of a moderately increased liberalization of the EU salted cod import regime (see "Cod, salted n.d." section). Canned fish imports have expected to expand moderately, to displace less competitive local canned seafood products. These trends will remain mostly unchanged in 2002, as declining fish outputs and mostly stable consumption levels induce an expansion in total seafood product imports. Import patterns will remain mostly stable. Seafood imports for processing will continue to dominant Portuguese seafood imports, with cod products tending to account for an especially high share in total. Salted dry cod imports, primarily from Iceland and from Norway are expected to remain mostly stable, profiting from preferential market access conditions created by the EU within the European Economic Space negotiations. Finally, some products are likely to expand, favored by diversifying demand and changing consumer habits, namely in the squid and crustaceans sectors.

Profiting from improved market access conditions, total U.S. seafood exports into Portugal rebounded in CY-2001. The U.S. Census Bureau reports a 128 pct increase in U.S. Jan-Jul 2001 total seafood exports by value into Portugal over Jan-Jul 2000 levels, of which the larger share is due to the higher frozen cod and salted cod n.d. exports. On the other hand, frozen pollock exports also went up significantly, due to this product's properties as a close cod substitute for processing (see also "Groundfish" section). Trade in other than cod/pollock products also went up during the first part of the year, especially in the case of frozen salmon and monkfish. According to the Portuguese official trade statistics, total Jan-May 2001 frozen salmon and monkfish imports from the United States went up by 20 and 103 pct respectively in volume terms relative to Jan-May 2000. While remaining a significant component of total U.S. seafood trade with Portugal, Jan-May 2001 squid and loligo exports into the country suffered a large reduction relative to Jan-May 2000, displaced with squid caught off Argentina and the Falklands, which trade sources report to be presently offered at more competitive prices than U.S. product. Total U.S. crustacean exports into Portugal were down during the first part of 2001, but managed to maintain a presence in the market while total fresh crawfish managed to expand significantly over similar 2000 period levels. On the rise during Jan-May 2001, and likely to lead up to larger full-year imports are a series of fish for processing or for use by the HRI channels, which include processed cod, processed salmon and frozen minced salmon and monkfish.

Portuguese imports of seafood products from the United States are likely to increase in 2002. The liberalization of the EU "Autonomous import quota" (see under the "Cod, salted n.d." section) has created the conditions for the United States to increase its frozen cod sales into Portugal, a potential which will be more fully explored than in 2001 if the U.S. dollar should weaken against the EURO. Salted cod n.d. will tend to remain close to the top of the Portuguese seafood trade structure with the United States. However, even if this product is generally preferred by the industry over frozen cod, it is likely to decline in importance as the more restrictive trade regime for salted cod n.d. will tend to continue to make it less attractive to import than frozen cod. If adequately priced and marketed, but above all, if the US dollar should weaken, local imports of other seafood should also continue to expand, favored by an expansion in

national total seafood product forecasted imports. Trade matrices for Portugal's total edible fishery products during 1999 and 2000, and Jan/May 2000 and 2001 are given below. Ranking of seafood product imports from the United States during CY-1999, CY-2000 and Jan-May 2000 and 2001 is also given at the end of section.

**Trade Matrix, CY 1999 & 2000**

<b>Import Trade Matrix</b>			
Country	Portugal		
Commodity	Total Edible Fishery Products		
Time period	Jan/Dec	Units:	Metric Tons
Imports for:	1999		2000
U.S.	28349	U.S.	20096
Others		Others	
Spain	145433	Spain	147705
Denmark	34896	Denmark	16584
France	6684	France	7025
U.K.	5257	U.K.	4050
Netherlands	4759	Netherlands	5426
Other EU	8322	Other EU	9956
Norway	109889	Norway	77192
Iceland	57515	Iceland	69028
Russia	42943	Russia	2737
Morocco	6729	S. Africa	7240
Total for Others	422427		346943
Others not Listed	50763		75178
Grand Total	501539		442217

<b>Export Trade Matrix</b>			
Country	Portugal		
Commodity	Total Edible Fishery Products		
Time period	Jan/Dec	Units:	Metric Tons
Exports for:	1999		2000
U.S.	1575	U.S.	2034
Others		Others	
Spain	49731	Spain	50412
France	7161	France	9511
U.K.	5709	U.k.	4898
Italy	4367	Italy	3695
Germany	977	Other EU	4275
Other EU	3273	Canada	1853
Canada	1685	Angola	2222

Angola	1537	Brazil	3483
Brazil	878		
Total for Others	75318		80349
Others not Listed	7550		5630
Grand Total	84443		88013

**Trade Matrix, Jan/May 2000& 2001**

Import Trade Matrix			
Country	Portugal		
Commodity	Total Edible Fishery Products		
Time period	Jan/May	Units:	Metric Tons
Imports for:	2000		2001
U.S.	7211	U.S.	9678
Others		Others	
Spain	52461	Spain	59827
Denmark	6889	Denmark	8409
France	2202	France	1358
Other EU	5952	Other EU	8180
Iceland	32152	Iceland	30087
Norway	28654	Norway	37403
Russia	11453	Russia	12199
Canada	3877	Canada	3012
S. Africa	3025	S. Africa	4106
Ghana	2744		
Total for Others	149409		164581
Others not Listed	16652		19413
Grand Total	173272		193672

Export Trade Matrix			
Country	Portugal		
Commodity	Total Edible Fishery Products		
Time period	Jan/May	Units:	Metric Tons
Exports for:	2000		2001
U.S.	817	U.S.	664
Others		Others	
Spain	17472	Spain	21390
France	2824	France	3004
U.K.	1832	U.k.	964
Italy	1130	Italy	1446
Other EU	1910	Other EU	2242
Brazil	1523	Brazil	2899

Canada	751	Canada	666
Angola	146	Angola	338
Total for Others	27588		32949
Others not Listed	1983		1619
Grand Total	30388		35232

## Portugal: Seafood Imports from the U.S. during Jan/Dec 1999 &amp; 2000

Period: January-to-December 1999			Period: January-to-December 2000		
HTSCN	Product Description	1,000 USD	HTSCN	Product Description	1,000 USD
3036090	Frozen cod	37,23	3036090	Frozen cod	9,095
3056200	Salted cod, n.d.	6	3056200	Salted cod, n.d.	8,299
3037981	Frozen monkfish	8,500	3037981	Frozen monkfish	1,388
3037955	Frozen Alaska Pollock	1,059	3074938	Loligo	908
3025090	Fresh cod	1,053	3037955	Frozen Alaska Pollock	889
3074938	Loligo	687	3031000	Frozen Pacific salmon	557
3031000	Frozen Pacific salmon	613	3062210	Live Lobster	373
3056910	Boreogadus saida, salted/in brine	408	3062100	Fresh crawfish	253
3049057	Minced Monkfish	343	3049035	Minced cod	250
3056990	Miscell. Fished salted/in brine	221	3034111	Frozen whole white-fin tuna for process.	209
3042021	Frozen minced cod	189	3074933	Frozen loligo ( <i>loligo pealei</i> )	109
3062210	Live Lobster	179	3051000	Fish pellets	80
3034111	Frozen whole white-fin tuna for process.	178	3026999	Miscell. Fresh/chilled fishes	76
3037819	Frozen Silver hake	152	3042085	Alaska pollock, Minced frozen	52
3049035	Minced cod	150	3036011	Frozen cod ( <i>Gadus morhua</i> )	45
3038090	Fish roe	114	3056999	Miscell. Fishes, salted/in brine	33
3042083	Minced Frozen Monkfish	84	3079911	Frozen Shellfish ( <i>Illex spp.</i> )	28
3037996	Mixed frozen fishes	70	3049061	Processed Alaska Pollock	23
3051000	Fish pellets	47	3074931	Frozen loligo ( <i>loligo vulgaris</i> )	21
3074959	Loligo	46	16041319	Sardine preparations	20
3042029	Frozen minced cod	40	3026968	Fresh silver hake	18
3026999	Miscell. Fishes for processing	31	3038090	Roe	13
3026966	Fresh hake	13	3053011	Minced dry cod ( <i>Gadus macrocephalus</i> ), salted/in brine	2
3042085	Alaska pollock, Minced frozen	10	3072990	Frozen shellfish (of <i>Pecten</i> , <i>Chlamys</i> and <i>Placopecten</i> genders)	1
3027000	Roe	8	3033200	Frozen flatfishes	0
3026968	Fresh silver hake	5	16042050	Sardine preparations	0
3079100	Loligo	3	16041418	Canned bonitos and striped bonitos ( <i>Sarda spp.</i> )	0
3021200	Pacific salmon	1			
		1			
<b>TOTAL</b>		<b>51.441</b>	<b>TOTAL</b>		<b>22.739</b>

SOURCE: NATIONAL STATISTICS OFFICE (INE). US DOLLAR RATES: Jan-Dec 1999: 1 USD = 188 PTE; Jan-Dec 2000: 1 USD = 218 PTE.

## Portugal: Seafood Imports from the U.S. during Jan/May 2000 &amp; Jan/May 2001

Period: January-to-May 2000			Period: January-to-May 2001		
HTSCN	Product Description	1,000 USD	HTSCN	Product Description	1,000 USD
3036090	Frozen cod	3,478	3036090	Frozen cod	5,568
3056200	Salted cod, n.d.	3,162	3056200	Salted cod, n.d.	4,915
3037981	Frozen monkfish	428	3037955	Frozen Alaska Pollock	1,780
3074938	Loligo	364	3037981	Frozen monkfish	986
3037955	Frozen Alaska Pollock	201	3049035	Processed cod (Gadus macrocephalus)	383
3031000	Frozen Pacific salmon	195	3031000	Frozen Pacific salmon	298
3062210	Live Lobster	115	3049061	Processed Alaska salmon	249
3026999	Miscell. fresh/chilled fish	79	3074938	Frozen loligo	168
3074933	Frozen Loligo ( <i>loligo pealei</i> )	49	3026998	Miscell. fresh/chilled fishes	100
3034111	Minced cod	40	3042083	Frozen minced monkfish	98
3051000	Frozen whole white-fin tuna for process.	37	3062100	Fresh crawfish	95
16041319	Sardine preparations	21	3062210	Live lobster	86
3026968	Fresh silver hake	18	3042085	Minced, frozen Alaska pollock	40
3056999	Miscell. fishes, salted/in brine	10	3074931	Frozen loligo ( <i>loligo vulgaris</i> )	33
3062100	Fresh crawfish	5	3051000	Fish Pellets	15
3072999	Sea mussels	1	3061410	Frozen crab	2
			3056999	Miscell. Fishes, salted/in brine	1
<b>TOTAL</b>		<b>8.203</b>	<b>TOTAL</b>		<b>14.817</b>

SOURCE: NATIONAL STATISTICS OFFICE (INE). US DOLLAR RATES: Jan-May 2000: 1 USD = 209 PTE; Jan-May 2001: 1 USD = 221 PTE.

## Policy

### General

National policies in the fisheries sector are dominated by resource sustainability concerns with fish in the national Exclusive Economic Zone (EEZ), where over recent years, fish catch has remained largely under EU-assigned quotas (see table below). Of particular importance to Portuguese fisheries are sardine stocks, due to their critical reduction in recent years as a result of overfishing. A Program to control national sardine fishing has been implemented in Portugal, which is jointly run by the authorities and by producer organizations. The national sardine catch control program is based upon a total limit of 180 total fishing days. Vessels also are prohibited to fish on week-ends. In the northern Portugal "Matosinhos" area, sardine catch is additionally banned for two months. Local GOP sources report that the program has been rather successful and has enabled sardine stocks to breed.

Fishing in international waters is subject to the Total Allowed Catch (TAC) regime or to bi-lateral fishing accords, all of which are negotiated by the EU. TACs assigned to Portugal during CY-2000 and CY-2001

are given in the table below which includes actual fish catch under the different fishing quotas during 2000. In the area of international agreements, the lack of renewal of the EU-Morocco fishing agreement is a severe setback for the Portuguese fishing fleet. A GOP-backed fleet compensation program has been in effect since November 1999, under which official sources report that subsidies totaling \$ 15.5 Million are to be paid since program began through December 2001. Given lack of agreement with Morocco, a specific structuring program has been developed by the authorities. This specific program, which has been submitted to the EU for financing, includes vessel destruction, ship re-conversion to fish in alternative regions, and activity abandonment incentives for the fishermen. The Portuguese fleet in general benefits from the EU co-financed 2000-06 structural support programs. These include the Fisheries Operational Plan (FOP), which is to be financed under the 2000-06 Community Structural Framework (the CSF III). FOP is to support \$ 318 Million worth of investments with \$133 Million in subsidy payments. Further, under the 2000-06 Regional Fisheries Measures, additional \$152 Million worth of investments will be eligible for a total estimated \$97 Million subsidy.

## PORTUGAL: 2000 &amp; 2001 FISH CATCH QUOTAS

UNITS: Metric Tons

Zone/Species	2000			2001		
	Quota	Available quota		Quota	Available quota	
	Catch	(1)	(2)	Catch	(1)	(5)
NATIONAL WATERS						
Anchovy	5,220	2,200	310	5,220	1,720	n.a.
Megrim	150	225	188	150	200	“
Monkfish	1,130	1,180	883	995	1,130	“
Whiting	2,640	2,640	77	2,100	2,100	“
Hake	2,540	3,195	3,088	2,660	3,150	“
Blue whiting	11,000	10,800	2,167	11,000	10,700	“
Norway lobster	1,125	1,125	214	900	900	“
European plaice	120	120	50	95	95	“
European pollack	20	20	15	20	50	“
Atlantic mackerel	6,680	3,610	2,251	6,840	3,570	“
Sole fish	1,245	1,245	741	1,245	1,245	“
Atlantic horse mackerel (“VIIIc.IX”)	30,950	30,950	14,811	30,950	30,950	“
Atlantic horse mackerel (“X”)	5,000	5,000	649	5,000	5,000	“
Atlantic horse mackerel (“CECAF”)	2,000	2,000	563	2,000	2,000	“
Total National Waters	69,820	64,310	28,006	69,175	62,810	“

EU-10 Blue whiting (“Vb, VI, VII + VIIIabd”)	3,130	1,500	0	3,440	1,440	n.a.
Atlantic horse mackerel (“Vb, VI, VII, VIIIabde, XII, XIV”)	2,230	0	0	2,230	2,000	“

CONTINUED

## PORTUGAL: FISH CATCH QUOTAS IN 2000 AND 2001 (CONTINUED)

Zone/Species	2000			2001		
	Quota Catch	Available quota		Quota Catch	Available quota	
					(1)	(5)
<b>LARGE MIGRATORY SPECIES</b>						
Swordfish (North Atlantic)	763	763	763	763	763	n.a.
Swordfish (South Atlantic)	385	385	385	385	385	“
Northern bluefin tuna	(4)	(4)	(4)	(4)	(4) 599	“
Mediterranean tuna	599	599	502	599		“
Albacore					1,953	“
Bigeye tuna				1,953	5,756	“
				5,756		
<b>NORTHEAST ATLANTIC</b>						
Herring (“I, II”)	120	0	0	80	80	n.a.
Cod (Svalbard)	1,406	1,406	1,403	1,425	1,425	“
Shrimp (Svalbard)	92 days	92 days	59 days	145 days	145 days	“
Red fish (Irminger Sea)	2,942	3,582	3,739	1,966	2,846	“
<b>NORWAY</b>						
Red Fish	810217	810217	114218	810220	8102205	n.a.
Cod (2)	9	9	4	5		“

NORTHWEST ATLANTIC						
Cod ("2J + 3KL")	0	0	2.9e+25	0	0	n.a.
Cod ("3M")	0	0		0	0	"
Cod ("3NO") (3)	0	0		0	0	"
Cod (Total)	0	0		0		
Red Fish ("3M")	2,354	2,354		2,354	2,354	"
Red Fish ("3LN")	0	0		0	0	"
Plaice + Witch flounder "3 NO"(3)	0	0		0	0	"
Flatfish 2+3	4,049	4,761		4,627	5,042	"
Shrimp ("3M")	1 ship/69 days	1 ship/69 days		1 ship/69 days	1 ship/69 days	"

Source: General Fisheries Directorate (DGP). NOTE: During CY-1999, Portugal also had access to a 150 Mt Red Fish quota in Greenland through quota exchange with France, and a 500 Mt Red fish quota by exchange with Germany. In 2000, Portugal had access to a 150 Mt quota in Greenland and also of 150 Mt in the Irminger Sea. (1) Available quota after quota exchange. As of 1995, France grants Portugal 700 pct of its hake quota (550 Mt) and its cod quota in "3 M" by exchange with 80 pct of the Portuguese anchovy quota. (2) EES quota. (3) Allowed to be caught only as "by-catch". (4) Includes Mediterranean and Atlantic E. (5) Provisional data.

## Marketing

Declining national fish catch levels and a moderately increased EU cod import regime will tend to lead to additional medium-term trade opportunities for U.S. seafood exporters. Frozen cod and salted cod n.d. will tend to lead the U.S. seafood export product ranking into Portugal, favored by the dimension of the local cod market (see more under "Groundfish" and "Cod, salted n.d." sections). Additionally, a series of other seafood products have been identified to have significant market prospects, based on trade data trends and information from local trade sources. A listing of seafood products other than cod/pollock with significant marketing prospects in Portugal are given below at the end of the section.

Some constraining factors will tend to negatively affect U.S. seafood exports. The strong dollar, and the high transportation costs associated with long shipping distances are some of the most significant handicaps. Due to mostly traditional local consumption patterns, fish sub-species fished in the Pacific tend to be at a slight disadvantage relative to their Atlantic counterparts due to flavor and texture differences which are also negatively viewed by the local consumers. Finally, the overall traditional patterns of the local consumers tend to be critical for the development of certain market niches, this being reportedly the cause for failed past attempts to introduce certain seafood products in Portugal, including aquaculture products, oysters, bi-valves and exotic fishes.

**Key Target Markets for U.S. Exporters Ranked by total 2000 Import Value**

<b>Product</b>	<b>HTSCN</b>	<b>Observations</b>
Frozen salmon	0303.60.1 1 0303.60.1 9 0303.60.9 0	\$ 54 Million total CY-00 trade, of which \$ 9 Million of U.S. origin. After a decline in 2000, the US initiated a market recovery during the first months of 2001, accounting for 16.5 pct of total Jan/May 01 value imports. Market leader is Russia, with 51.5 pct of total Jan/May 01 value trade.
Frozen squid	307.49	\$ 27.2 Million total CY-00 trade, of which \$ 1.0 Million of U.S. origin. Though Jan/May 2001 total imports of frozen squid expanded by 55 pct over Jan/May 00 levels, US share declined by 51 pct due to a reported price competitiveness loss against Argentina. Frozen squid market must be addressed through adequate pricing policies.
Frozen Monkfish	0303.79.8 1	\$ 6.4 Million total CY-00 trade, of which 1.4 Million of U.S. origin. Total imports are trending up (total Jan/May 2001 value imports were up by 14 pct), as well as the U.S. ones (130 pct in value during Jan/May 01 relative to the similar period in 2000). Main competitor is Spain, with 49.9 pct of total Jan/May 01 direct imports.
Fresh silver hake	0302.69.6 8	\$ 6.1 Million total CY-00 trade, of which \$18,000 from the U.S.. Total Jan/May 01 imports came down by 54.5 pct in volume, but went up by 3.2 pct in value terms. Market is dominated by Spain (96 pct of J/Dec 00 value imports and 99 pct of total Jan/May 01 imports). Silver hake tends to be brought in from the U.S. by plane to meet occasional market needs.
Fresh crawfish	0306.21.0 0	\$ 1.7 Million total CY-00 imports, of which \$ 253,000 from the U.S.. Main competitor is Mauritania (45 pct of total CY-00 value imports and 57 pct of total Jan/May 01 imports). U.S. fresh crawfish is considered by the local trade as very competitively priced, its imports being constantly on the rise since the beginning of 2000.
Live Lobster	0306.22.1 0	\$1.0 Million total CY-00 trade, of which 0.4 Million of U.S. origin. The main competitors are the U.K. and Spain. Though U.S. direct sales gave some signs of waning during the first part of 2001, this is a market niche with a valuable total potential, while the US benefits from a relatively good positioning derived from a favorable quality/price perception on the local trade part.

Minced frozen Alaska pollock	0304.20.85	\$ 0.5 Million total CY-2000 imports, of which \$ 52,000 from the U.S. In past years, China was the leading supplier, accounting for 88 pct of total 2000 value imports, but vanished from the market in 2001, contributing to a US market recovery during the first part of the year.
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To be Continued.

**Key Target Markets for U.S. Exporters Ranked by total 2000 Import Value (Continued)**

<b>Product</b>	<b>HTSCN</b>	<b>Observations</b>
Frozen minced monkfish	0304.20.83	\$ 0.4 Million total imports during CY-2000, of which none from the U.S.. During 2001, leading S. Africa has been partly replaced with the U.S., enabling it to make significant progress during the first part of the year.
Frozen Crab	0306.14.10	\$ 0.3 Million total CY-00 trade. This is a market which is giving signals of a significant market potential, with considerable expansions in 2000 and first part of 2001. Total frozen crab imports from the U.S. totaled 2,000 USD during Jan/May 01 (none in past recent years).

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" respectively. 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.

Super-markets and hyper-markets have achieved a position of dominance in the retailing of total seafood products due to their competitiveness in marketing frozen seafood and salted dry cod. In this products, super and hyper-markets are reported to account for a significant 82 pct of total local retail sales. The situation is different in the fresh fish products sector though, in which these retailing groups tend to account for a much more modest seven-to-eight pct sale shares. On the other hand, open markets take a particularly relevant role in fresh fish marketing, with local industry sources estimating total fresh seafood shares marketed through these structures to account for nearly 20 pct of total fresh seafood sales. Considerable quantities of fish sold in these markets are further said to be un-registered, with the local seafood wholesalers generally refusing to abandon the old "Docapesca" Lisbon market grounds for less convenient new wholesale market installations some 40 km outside town. Another un-quantified share of fresh fish sales are done directly by the producers to HRI users. Super and hyper-markets will tend to lose some importance in total national fish product retail medium-term sales due to gradually expanding open markets and direct HRI shares.

## FISHERY PRODUCTS STRATEGIC INDICATOR TABLE

U.S. Competitive Position	Measurement *	Previous Year Situation	Current Year Situation	Next Year Expectations	5 Year Projections/ Expectations
U.S. Access Relative to Rest of World- Non-Tariff Measures (NTM).	Worse, equal, or better (choose one)	Worse	Worse	Worse	Worse
As an EU country, Portugal belongs to the EU Single Market, within which all products, including seafood, are allowed to circulate freely. Among all non-EU countries, the U.S. is affected by the special preferential market access regime for Norway, and by the fact that the EU "WTO quotas" for cod excludes Pacific cod.					
U.S. Access Relative to Rest of World - Tariffs.	Higher, equal, or lower (choose one).	Lower	Lower	Lower	Lower
U.S. exports into Portugal are subject to the EU import tariff schedule, which is discriminatory to non-EU origins.					
Presence of Marketing Programs (domestic and 3rd country) versus U.S. programs.	More aggressive, about the same, or less aggressive (select one).	More aggressive	More aggressive	More aggressive	More aggressive
The seafood products market is dominated by Norwegian promotional programs which involves extensive media use, TV and newspaper advertisement, as well as outdoor ads among others.					
U.S. Prices Relative to Domestic and 3rd Country Prices.	Higher, equal, or lower (choose one)	Higher	Higher	Higher	Higher
U.S. Market Share (3 Year. Average).	Percent	4.5	5	5.1	5.5

<b>Market Attractiveness</b>	<b>Measurement *</b>	<b>Previous Year Situation</b>	<b>Current Year Situation</b>	<b>Next Year Expectations</b>	<b>5 Year Projections/ Expectations</b>
Per Capita Consumption of All Fishery Products	Kg per person 1/	65.5	65.4	65.3	65.2
Per Capita Consumption of animal proteins (excluding fishery products)	Kg per person 1/	62.4	62.5	62.6	62.7
1/ Per capita consumption values refer to the “edible part” of products, i.e., the product weight which can be integrally used as food without un-usable parts.					
Percent of population with refrigerators 2/	Percent	96.1	96.2	96.3	96.5
2/ Latest official data by the national statistics office INE refers to 1997. In 1997, 96.1 pct of the population owned a refrigerator, this being considered to be very close to “saturation fringe” levels characterized by very small or near non-existent variations.					
Percent of fishery product sales at supermarkets	Percent	44	43	42	40
Percent of total food sales at supermarkets	Percent	50	50	50	50
Percent of animal protein sales at supermarkets (excluding fishery products)	Percent	22	20	18	15
Percent of fishery sales at HRI establishments	Percent	10	10.5	11	12
Percent of fishery sales at open markets	Percent	4	4.5	5	6

SOURCE: National Statistics Office INE, National Super-Markets Association APED, National Meat Wholesalers Federation and AGOFFICE estimates.