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Mexico

Fishery Products

THE MEXICAN MARKET FOR SEAFOOD PRODUCTS

2008

Approved by:

Kathryn Ting
ATO MEXICO

Prepared by:

Pia Cortes

Report Highlights:

Mexico imports over \$300 million worth of fish and seafood products every year. In 2006 this included about \$150 of fish fillets, \$36 million of crustaceans, and \$12 of other seafood.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Mexico City ATO [MX2]
[MX]

Mexico imports over \$300 million worth of fish and seafood products every year. In 2006 this included about \$150 of fish fillets, \$36 million of crustaceans, and \$12 of other seafood. Mexico's imports of fish and seafood are mainly focused on species that either complement an insufficient local production or are not available in Mexico.

MEXICO-FISH AND SEAFOOD IMPORTS FROM THE WORLD-Millions of US dollars

HS	Description	Jan-Dec 2004	Jan-Dec 2005	Jan-Dec 2006
03	Fish And Seafood	213.446308	234.499071	302.261385
0301	Live Fish	3.128617	3.74361	4.793719
0302	Fresh Fish,Not Fillet	3.739967	3.532931	4.241833
0303	Frzn Fish,Not Fillets	63.484496	45.798153	72.04164
0304	Fillet,Othr Fish Meat	84.822955	102.45213	149.347298
0305	Fish,Dried,Salted Etc	17.814475	21.880661	22.234399
0306	Crustaceans	29.357617	45.119155	36.605321
0307	Other Seafood	11.098181	11.972431	12.997175
0399		0	0	0

Source: World Trade Atlas

Imports of fish and seafood from the United States totaled \$23.7 million in 2006.

MEXICO-FISH AND SEAFOOD IMPORTS FROM UNITED STATES 0301- Live fish-

HS	Description	2004	2005	2006	% Share			% Change
					2004	2005	2006	- 06/05
	United States	110827	118547.4	130383.1	56.31	53.44	50.91	9.98
	03 Fish And Seafood	27.773	29.07851	23.69935	0.03	0.03	0.02	-18.5
0301	Live Fish	1.97146	2.424555	2.749439	7.1	8.34	11.6	13.4
0302	Fresh Fish,Not Fillet	2.9644	2.597535	2.954417	10.67	8.93	12.47	13.74
0303	Frzn Fish,Not Fillets	4.18282	2.927135	3.052968	15.06	10.07	12.88	4.3
0304	Fillet,Othr Fish Meat	5.80158	3.642984	2.843548	20.89	12.53	12	-21.94
0305	Fish,Dried,Salted Etc	4.68274	4.704522	3.872411	16.86	16.18	16.34	-17.69
0306	Crustaceans	4.51484	8.662378	3.907342	16.26	29.79	16.49	-54.89
0307	Other Seafood	3.65516	4.119402	4.319229	13.16	14.17	18.23	4.85
0399		0	0	0	0	0	0	0

The United States is Mexico's largest supplier in the Other Seafood Category (0307) and ranks fourth after Venezuela, China and Belize as a foreign supplier of Crustaceans (0306).

**MEXICO- IMPORTS 0307-
Other Seafood-Millions of US dollars**

Country	-	Jan-Dec 2006
-- World --	-	12.997175
Argentina	-	0.157139
Belize	-	0.009
Cambodia	-	0.00135
Canada	-	0.101415
Chile	-	1.027878
China	-	1.374378
Cuba	-	0.091544
Domin Rep.	-	0.209882
European Econ. Comm.	-	0.004718
France	-	0.218546
Iceland	-	0.001829
India	-	0.118369
Indonesia	-	1.502579
Ireland	-	0.004747
Japan	-	0.057801
Korea, South	-	0.338688
Malaysia	-	0.021153
Netherlands	-	0.004201
New Caledonia	-	0.00029
New Zealand	-	0.595535
Panama	-	0.032344
Peru	-	1.003124
Philippines	-	0.838521
Portugal	-	0.020864
Senegal	-	0.186052
Solomon Islands	-	0.000926
Spain	-	0.316702
Taiwan	-	0.25439
Thailand	-	0.139779
Turks & Caicos Islands	-	0.002398
United Kingdom	-	0.005109
United States	-	4.319229
Vietnam	-	0.036695

Source of data: Secretary of Economy

**MEXICO- IMPORTS 0306-
Crustaceans-Millions of US dollars**

Country	-	Jan-Dec 2006
-- World --	-	36.605321
Belize	-	4.816134
Brazil	-	0.176009
Canada	-	1.328815
Chile	-	0.003918
China	-	6.431476
Colombia	-	1.798232
Cuba	-	0.185499
Ecuador	-	2.435766
El Salvador	-	0.040228
Guatemala	-	0.611429
Haiti	-	0.004626
Honduras	-	0.463434
India	-	0.769023
Indonesia	-	0.21246
Korea, South	-	0.000313
Nicaragua	-	0.023558
Russia	-	0.042715
Saudi Arabia	-	0.20357
Spain	-	0.000884
Taiwan	-	0.120236
Thailand	-	1.14644
United States	-	3.907342
Venezuela	-	11.883214

Source of data: Secretary of
Economy

The United States is the largest supplier of fresh fish sold to Mexico with a 65.47% share of final imports in 2007 down by 14.47% in 2006.

Imports of frozen fish mainly from Taiwan, have grown more rapidly than US imports. The US had a 6.12% share in value out of the US \$66.5 million imported during 2007 and represents the fourth market for Mexico, after China, Taiwan and Costa Rica.

The most significant imported products are frozen fillets of Nishin (*Clupea Spp.*), Tara (*Gadus Spp.*, *Theragra Spp.* And *Merluccius Spp.*), Buri (*Seriola Spp.*), Saba (*Scomber Spp.*), Iwashi (*Etrumeus Spp.*).

THE MEXICAN FISH AND SEAFOOD INDUSTRY

Mexico offers enormous possibilities for production and commerce, as it has a great variety of natural resources which are presently under-exploited. According to specialists and researchers, there are more than 800 species in Mexico that can be fished, of which only 305 species have been fully identified in national waters, 60 of which are of main economic importance. Nevertheless, the Mexican consumer is offered very few species of fish and seafood in the market place.

According to Conapesca, Comision de Acuacultura y Pesca (National Commission of Aquaculture and Fisheries), **Mexican Consumption of Fresh and Frozen Fish and Seafood** for 2004 and 2005 was:

	2004	2005
Imports	46,513	28,446
Production	1,483,220	1,437,127
(Exports)	29,018	42,140
TOTAL	1,500,715	1,423,443
Annual growth		-5.1%
Import share	3%	2%

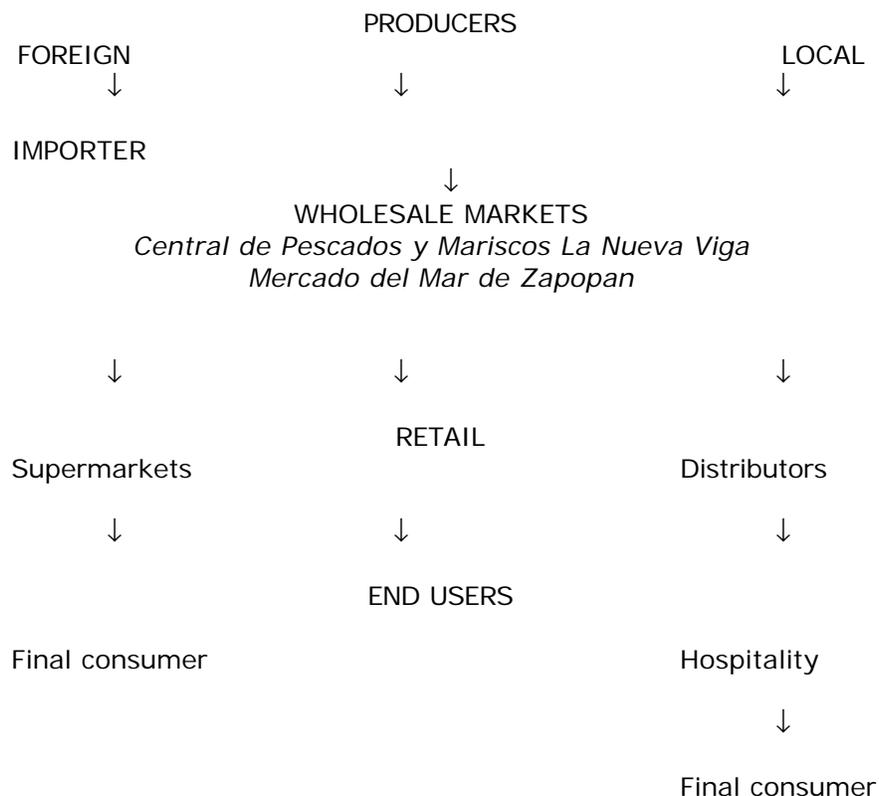
Data from Conapesca

Total consumption of fresh and frozen fish and seafood in Mexico reached 1,423,443 tons in 2005, reflecting a 5.1% reduction as compared with the 1,500,715 tons sold in 2004. This data reflects a lower local production and a 45.22% increase in exports and a 62% decrease in imports.

Total Mexican imports of fish and seafood reached US \$302.2 million in 2006, reflecting a 29% increase as compared to 2005. The US \$23.7 million imports of 2006 were in turn 22% below the US \$29 million of 2005.

During 2005, exports, represented 3% of the total production, and are 1.48 times larger than imports, providing Mexico with a 13,684 ton or US \$ 60.65 million trade surplus.

DISTRIBUTION CHANNEL OF FISH AND SEAFOOD IN MEXICO



The Mexican market of fish and seafood targets the final consumer through wholesale fish markets, supermarkets and at traditional markets for fresh produce that handle fish and seafood as well. Imports are sold through importers (who many times act as distributors), distributors and wholesalers. Direct sales by the fisheries themselves are uncommon. Some large supermarkets also import directly.

Fish and seafood is consumed by practically all sectors of the Mexican population, although rural inhabitants consume less fish and seafood than urban inhabitants

La Nueva Viga, which is the biggest wholesale market in Mexico City that is comprised of around 200 warehouses that buy and distribute fish and seafood serving mostly the central to southern part of Mexico, though sometimes products are also sent to northern parts of Mexico.

According to Roberto Gutierrez, President of the National Society of Distributors and Introducers of Fish and Seafood, the distribution of fish and seafood in Mexico is no longer concentrated in Mexico City. Presently, Guadalajara and Tijuana are playing an important

role in the distribution of fish and seafood throughout the middle and northern parts of the country.

Tourism is eight percent of GDP and represents six percent of total employment. Mexico is ranked as the seventh largest tourist destination in the world, with 4.01% of all world tourists. Mexico attracts an estimated at 120 million foreign visitors annually, who spend close to ten billion dollars. Tourism is Mexico's third foreign exchange earning industry, and there are many investments earmarked to attract more foreign visitors.

Good opportunities for imported products have been identified in all-inclusive resorts and hotels as well as restaurants. Hotels and restaurants purchase either directly at the wholesale markets, or have agreements with distributors for periodical deliveries.

The Mexican restaurant industry comprises 225,000 registered establishments that generate 525,000 direct positions and 410,000 indirect jobs, representing 2.4% of total employment in Mexico and contributing 3.7 percent to Mexico's GDP. Mexico City has the largest concentration of restaurants with approximately 31,000 establishments (of which 2,500 are of international tourism quality).

PROSPECTS FOR GROWTH

The most effective way to promote US fish and seafood in Mexico is through key importers/distributors that work with the hotel, restaurants and supermarket industries. Potential products are presented to buyers, which initially sample taste the products prior to negotiating a purchase. A visible presence in the market is essential to establishing credibility with both distributors and consumers. Therefore, marketing is extremely important.

Due to tariff reductions realized through NAFTA, some products from the US and Canada are competitive in the Mexican market. However, higher priced US products like salmon remain less competitive against Chilean salmon which has a very strong position in the Mexican market. Competitive pricing is key to introducing US products to the Mexican market. Purchasing decisions in the Mexican HRI sector are commonly left up to the consumer. For example, food and beverage managers and chefs sample the products and prepare new dishes that include them as a daily special and if popular with the consumers, then the chefs include them in the regular menu.

There are no import barriers for fish and seafood sold in Mexico. The general import climate in Mexico is favorable since Mexico joined the GATT in 1986 and the North American Free Trade Agreement (NAFTA) was signed in 1993. Under this agreement, import duties were all reduced to zero on January 1, 2003 on products of US origin. Under the Mexico-Chile free trade agreement, Mexican duties on Chilean fish and seafood were eliminated with the exceptions of the following: Lobster 030611, 030612, and shrimp, prawn and decapodes nantia 030613.

Imported fish appeals mainly to more affluent Mexicans which constitute the top 20% of the income distribution. These consumers reside almost entirely in the major cities. Middle and upper income households account for almost 30% of the populations of Mexico City, Guadalajara and Monterrey. Conversely, those three cities include one-third of all Mexicans in those income groups, creating a market of about eight million people who can afford high end fish and seafood products. Other relatively affluent cities with a population of one million or more include Toluca, Puebla, León and Torreón.

Important factors that affect imported products are importation costs directly affected by transportation costs, delivery time, credit and financing, product knowledge, customer service and technical support. Financing as mentioned has, in the past, been a key factor in purchasing decisions.

The Mexican market for US fish and seafood products represent an important niche market for US products as hotel, restaurants and catering services are always looking for high quality products. An emerging trend in Mexico is towards healthy eating. A trend that some chefs consider as an opportunity to include a wider variety of fish and shellfish. The idea is to send a message to the consumer that fish and seafood can be innovative and delicious.

CONTACTS

Importers/distributors:

LA SANITARIA, S.A. DE C.V.

Contact: Leonardo Nankin
Prol. Eje 6 Sur 560
Bodega D-39
Col. Aculco
09000 Mèxico, D.F.
Tel. 011-5255-5694-9833
Email: alsanitaria@prodigy.net.mx

COMERCIALIZADORA LA MARINERA, S.A. DE C.V.

Contact: Gerardo Arenas
Prol. Eje 6 Sur 560
Bodega B-17
Col. Aculco
09000 Mèxico, D.F.
Tel. 011-5255-5600-0320 Ext 102 and 103
Email: g.arenas@marinera.com.mx

DELI SEA MEXICO, S.A. DE C.V.

Contact: Hernàn de Orduña
Ret. Rana #368, Mza. 24
Lt. 9, SM 51, Resid Montecarlo
Cancùn, Q. Roo
Tel. 011-52-998-880-9720
Email: deliseamexico@hotmail.com

PROVEEDORES DE ALIMENTOS DE CANCUN S.A. DE C.V.

Contact: Robert Schmidt
Smza 301 Mza 32 Lote 32-01 CP 77560
Cancun, Quintana Roo, Mexico
Tel. 011-525-998-881-7800
Email: ventas@pac-sa.com.mx

National Society of Distributors and Introdurers of Fish and Seafood, Nueva Viga wholesale market

SOCIEDAD NACIONAL DE INTRODUCTORES Y DISTRIBUIDORES DE PESCADOS Y MARISCOS, S.C.

Contact: Roberto Gutiérrez
Prol. Eje 6 Sur 560

Bodega B-17
Col. Aculco
09000 México, D.F.
Tel. 011-5255-5600-3723 / 011-5255-5600-3663
Email: pesrob@yahoo.com

GOVERNMENT ENTITIES

COMEPESCA
Contact: Ing. Francisco Sánchez García
Sur 109 No. 1318 Col. Aeronáutica Militar
15970 México, D.F.
Tel. 011-5255-5970-5670
Email: comepesca@comepesca.com.mx

AGRICULTURAL TRADE OFFICE MEXICO CITY

Liverpool 31, Col. Juarez
06600 México, D.F.
Tel. 011-5255-5140-2600
Tel. 011-5255-5140-2682
Email: atomexico@usda.gov