USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network
Template Version 2.09

Required Report - public distribution

Date: 10/4/2004

GAIN Report Number: SW4015

Sweden

Fishery Products

Annual Report

2004

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Report Highlights:
Imports of fish and fish products to Sweden which have been rising due to declining domestic production will likely continue to increase. With the weaker dollar vis-à-vis the Swedish krona, the U.S. has potential to gain market share. In July 2004, the first wild fish products certified and labeled as organic were launched on the Swedish market.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Stockholm [SW1]
[SW]

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Executive Summary

The fishing industry represents a minor part of Sweden's economy but is nonetheless very important in some coastal areas. In 2003, a total of 281,000 metric tons valued at SEK 870,000 million (USD 107,500 million) was caught. Groundfish catch amounted to 16,094 metric tons in 2003, down 1.6 percent from 2002. Due to reduced cod quota for Sweden, catch is expected to continue to decrease the following years.

Imports of fish and fish products have been rising during the past years due to declining domestic production and will likely continue to increase. Norway and Denmark are the largest suppliers of fish and fish products to Sweden and accounted for 83 percent of total imports in 2003, with 68 percent and 15 percent shares, respectively. The U.S. share of total imports was 1 percent in 2003. With the weaker dollar vis-à-vis the Swedish krona, however, the U.S. has an improved opportunity to gain market share.

Overall consumption of fish in Sweden is increasing, partly due to the general perception among Swedes that fish is a healthy alternative to meat, and partly due to successful promotions of the organization Svensk Fisk (Swedish Fish). It is mainly the consumption of processed and prepared fish products that is increasing. Consumption of fresh fish is relatively stable.

The average exchange rates used in this report are:
CY2003: USD 1 equals SEK 8.09
CY2002: USD 1 equals SEK 9.72

Production

The Swedish catch of sea fisheries (wild catch) amounted to 280,844 metric tons in 2003, down 2 percent from 2002. In value, total landings amounted to SEK 870 million (USD 107.5 million), down from SEK 1.01 billion in 2002. Groundfish catch amounted to 16,094 metric tons in 2003, down 1.6 percent from 2002. (Please note that groundfish numbers have been revised downwards in this report due to access to more detailed information in official statistics.) In 2005, production is expected to decrease by 15 percent due to reduced cod quotas.

Fish for feed is the largest single commodity, amounting to 65 percent of the total 2003 catch. Of the catches for human consumption, herring is the principal species in Sweden, followed by cod. In 2003, these species amounted for 19 percent and 6 percent, respectively, of total landings. The herring catch decreased to 53,458 metric tons, from 62,586 metric tons in 2002. The cod catch decreased to 14,181 metric tons, from 15,115 metric tons in 2002. The Swedish fish industry heavily relies on cod fishing. About 25 percent of the total income (about USD 26 million) of professional fishermen in Sweden comes from cod fishing.

Sweden is a member of the International Baltic Sea Fishery Commission (IBSFC), which sets quotas for member countries. Over-fishing of cod in the Baltic Sea has been a serious problem for several years. The 2004 quotas in metric tons are (Sweden's approximate shares in parentheses):

	2004
Herring	232,550 (47,524)
Sprat	420,000 (72,019)
Cod	61,600 (12,323)
Salmon*	495,000 (126,400)

*Number of salmon.

In 2003, catch in inland waters amounted to 1,490 metric tons, valued at SEK 43.7 million (USD 5.4 million). The most important species in inland fishing are pike-perch, eel and whitefish. Domestic production of crayfish is fairly small and amounted to 42 metric tons in 2003. Fishing in private waters is popular, but the quantities of catches are difficult to estimate.

Aquaculture in Sweden is relatively limited. In 2003, the yield amounted to 4,585 metric tons of fish for human consumption, which was 10 percent less than the year before. Rainbow trout is the principal species, comprising approximately 90 percent of total yield. Other aquaculture species, listed in order of production volume, include blue mussels, char, eel, trout, and crayfish. The number of enterprises in 2003 engaged in aquaculture was 360, of which 232 produced fish for consumption and 15 produced blue mussels. In addition, 130 establishments cultivated fry for stocking. In 2001, small-scale production of organic rainbow trout was initiated. Production amounts to about 20,000 metric tons.

The major canning company in Sweden is ABBA Seafood. ABBA operations include processing and marketing of ABBA brand fish products in Sweden, Denmark and Germany. In addition, marketing offices have been established in Norway, Poland, Finland and Austria. ABBA Seafood is a part of the Norwegian group Orkla Foods. Other important fish processing industries include Findus, Felix and Festab AB. Findus belongs to EQT, a private equity firm, Felix is also part of the Orkla group and Festab AB belongs to the Norwegian Dornstein Group.

Consumption

Swedish consumers are becoming increasingly environment and health conscious in their choice of food, and the general perception among Swedes is that fish is a healthy alternative to meat. Recent data on fish consumption is not available. However, the perception among fish traders is that consumption of shellfish and "pan-ready" fish products is increasing, while consumption of fresh fish is relatively stable. The general increase in fish consumption is also partly attributable to successful promotions of the organization Svensk Fisk (Swedish Fish). In addition, an increase of product assortment seems to have had a positive affect on consumption of processed and prepared fish. Products such as gratins, rolls, sushi, prepared crayfish tails, schrimp, crab and lobster are receiving more market exposure.

Swedes are purported to be the world's leading crayfish consumers. Swedes consider crayfish to be a very special delicacy. They are cooked according to traditional Swedish recipes using brine, dill and beer. Consumption is estimated around 3,000 metric tons per year, of which 2,500 metric tons are imported.

Trade

Currently, Norway and Denmark dominate the Swedish import market for fish. Together they account for 83 percent of total imports by Sweden, with individual shares of 68 percent and 15 percent, respectively. Considering their geographical nearness and strong commercial ties to Sweden, these countries will most likely maintain dominance in this market. In 2003, total imports of fish and fish products into Sweden amounted to USD 1,0 billion. Imports from the U.S. amounted to USD 6.9 million (down from USD 8.4 in 2002), which makes the U.S. the tenth largest supplier of fish and fish products to Sweden. Pacific salmon is the main species imported from the U.S. Other species imported from the U.S. are halibut, fish liver and roe, lobster, shrimps and prawns. A substantially greater amount of fish and fish products are imported from third countries by Sweden than is apparent from trade data because of transshipment via the Netherlands. These imports are reflected in trade data as imports from the Netherlands.

Imports of groundfish amounted to 10,733 metric tons in 2003 valued at USD 29 million, compared to 8,013 metric tons valued at USD 21 million in 2002. Due to smaller cod quotas, imports of groundfish will likely continue to increase in this year and the following year.

Imports of crayfish amounted to 4,351 metric tons in 2003, compared to 2,159 metric tons in 2002. This big increase is due to the fact that the EU ended a temporary ban on imports of various seafood products from China. The ban was imposed in 2002 due to findings of antibiotic residues in Chinese fish products. Hence, in 2003, imports from China rose to more normal levels and accounted for 52 percent of Swedish crayfish imports, up from 26 percent in 2002. Imports from the U.S. have been rather small during recent years due to a supply shortage in Louisiana and strong price competition from China, Turkey and Spain. In 2003, imports from the U.S. amounted to 32 metric tons, compared to 86 metric tons in 2002.

Although Swedish exports of groundfish increased by 12 percent to 12,754 metric tons in 2003, exports were substantially smaller than they use to be. The decreasing trend in exports is explained by limited supply of cod due to smaller quota. Exports are expected to decrease further this year and the following year due to the concern for over-fishing of cod in the Baltic Sea and hence reduced quotas.

Prices of groundfish increased by 8 percent in 2003 compared to 2002, which is also explained by smaller cod quotas.

Policy

Since it became a member of the EU in 1995, Sweden has adhered to the Common Fisheries Policy (CFP) of the EU.

At the end of 2001, the European Commission decided to implement thresholds for dioxin in fish. It was decided that fish exceeding the EU's thresholds could not be sold for human consumption in any of the EU member states, with the exception of Finland and Sweden. The exception will remain in effect until December 31, 2006. Until then, fish with dioxin levels exceeding the EU thresholds may be sold in Sweden (and Finland), under the condition that they are not exported to other EU countries. The National Food Administration (NFA) has been conducting tests of dioxin levels in the Baltic Sea. As a result of these tests, the NFA now allows exports of various species such as eel, pike pearch, cod, and sprat from the Baltic Sea. The EU decision to make an exception for Sweden was based on Swedish authorities' argument that health benefits of lower thresholds do not exceed the lost benefits of eating fish.

The Swedish organization Svensk Fisk (Swedish Fish) is supported by both the industry and the Swedish government. The organization's goal is to increase fish consumption through communicating the benefits of eating fish to consumers. The Swedish government is supporting the organization with initial paid-in capital of SEK 5 million (USD 620,000).

The Swedish Environmental Protection Agency has provided SEK 35 million (USD 4.3 million) of funding to a research project called MARBIPP (Marine Biodiversity, Patterns and Processes). The aim of the project was to create a base for ensuring sustainable development by studying biodiversity along the coast of Sweden. The project started in 2001 and is planned to end in 2006.

In 2001, the private organization KRAV started a project to develop standards for the inspection and certification of organic wild fish and shellfish caught in Scandinavian waters. (KRAV is recognized by the National Food Administration to carry out inspection and certification for organic production.) A project group with representatives from the Swedish government, fishermen, fish industry and other stakeholders was established. As a result of this project, wild fish products can now carry organic labeling and have been marketed as organic to Swedish consumers since July, 2004. Importers who have an import license issued by KRAV or IFOAM (International Federation of Organic Agriculture Movements) may import products and sell them as KRAV-certified. KRAV is accredited by IFOAM. IFOAM is a worldwide movement for organic agriculture and a platform for global exchange and cooperation. (For more information, please visit KRAV's web site www.krav.se)

Marketing

Duty-free imports from other EU member states, the EU's barriers to imports from third countries (import tariffs on fish products range between 2 and 23 percent), and the short shipping distances from EU countries compared to overseas transit times makes the competitive environment difficult. However, the facts that quotas for fishing in the Baltic Sea are diminishing and the U.S. dollar has weakened substantially against the Swedish krona increase possibilities for U.S. exports to Sweden. In addition, consumption of processed and prepared fish products such as gratins, rolls, sushi, prepared crayfish tails, shrimp, crab sticks and lobster is steadily increasing in Sweden could provide opportunities for U.S. exporters.

The findings of U.S. scientists at the University of Wisconsin-Milwaukee on high levels of cancer-causing toxins in farmed salmon have been extensively reported in Swedish media this year. (See GAIN report SW4001). In Sweden, salmon consumption is relatively high at 2 kg per capita annually and the vast majority of the salmon consumed is farmed salmon from Norway. Since Sweden has a very health-conscious population, the news of additional findings of toxins in farmed fish was particularly worrisome. This, along with the weaker U.S. dollar, points to growing opportunities for U.S. wild fish, especially salmon.

Statistical Section

Country	**Sweden**					
Commodity	**Groundfish, Whole/Eviscerated**				(MT)	
	2003 USDA Official [Old]	Revised Post Estimate [New]	2004 USDA Official [Old]	Estimate Post Estimate [New]	2005 USDA Official [Old]	Forecast Post Estimate [New]
Market Year Begin		01/2003		01/2004		01/2005
Beginning Stocks	0	0	0	0	0	0
Total Production	50000	17161	47000	14500	0	14000
Intra-EC Imports	5000	2454	3000	3000	0	3100
Other Imports	7000	8279	10000	9500	0	9500
TOTAL Imports	12000	10733	13000	12500	0	12600
TOTAL SUPPLY	62000	27894	60000	27000	0	26600
Intra-EC Exports	20000	12752	8000	11500	0	11000
Other Exports	1000	2	500	100	0	100
TOTAL Exports	21000	12754	8500	11600	0	11100
Domestic Consumption	41000	15140	51500	15400	0	15500
Other Use/Loss	0	0	0	0	0	0
TOTAL Utilization	41000	15140	51500	15400	0	15500
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	62000	27894	60000	27000	0	26600

Export Trade Matrix

Country	Sweden		
Commodity	Groundfish, Whole/Eviscerated		
Time Period	CY	Units:	Metric tons
Exports for:	2002		**2003**
U.S.	0	U.S.	0
Others		Others	
Denmark	4731	Denmark	5538
UK	2574	France	3051
France	2187	Netherlands	1393
Netherlands	839	UK	1362
Total for Others	10331		11344
Others not Listed	1002		1410
Grand Total	11333		12754

Import Trade Matrix

Country	Sweden		
Commodity	Groundfish, Whole/Eviscerated		
Time Period	CY	Units:	Metric tons
Imports for:	2002		**2003**
U.S.	0	U.S.	0
Others		Others	
Norway	6410	Norway	7442
Denmark	973	Denmark	2011
Finland	217	Finland	411
Latvia	190	Latvia	236
Total for Others	7790		10100
Others not Listed	223		633
Grand Total	8013		10733

Prices Table

Country	Sweden		
Commodity	Groundfish, Whole/Eviscerated		
Prices in	USD	per uom	metric ton
Year	2002	2003	% Change
Average for year	2282	2475	8
Exchange Rate	8.09	Local Currency /US $	
Date of Quote	2003	MM/DD/ YYYY	