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Serbia

Fishery Products

Fish and Seafood Market Situation in Serbia

2008

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Report Highlights:
The Serbian fish and fishery products market size in 2007 was around $125 mil. whereas imported fish and fishery products share is almost 68 percent. Limited domestic production and increased market demand provide very good potential for fish and fishery products import. Fish import in Serbia has grown from $30 mil. in 2004 to $84.6 mil. in 2007. Only 3.7 percent from the total quantity of fish imported into Serbia in 2007 come from USA. The US total exported value of fish products to Serbia in 2007 was 11 percent higher than in 2006 but 4.6 percent lower in volume. Considering the increasing trend of fish consumption, low and slow increase of fish production in Serbia, better living conditions, it is realistic to expect that imports of fish and fishery products will increase in the future and more diversity of fish products might be in a demand.

Includes PSD Changes: No
Includes Trade Matrix: No
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Summary

The value of the Serbian fish and fishery products market in 2007 was around $ 125 mil., imported fish and fishery products contributed almost 68 percent to the total value and 74 percent to the total volume. Total Serbian fish production in 2007 reached 12.5 thousand tons, 25 percent higher than in 2006. Limited supply and increased demand provide very good potential for fish/fishery products import. In 2007, imports of fish and fishery products on volume increased 23 percent over 2006 and reached 35,385 MT, valued at $ 84.6 mil. The most important product group, in terms of volume and value, is frozen hake, mainly coming from the countries of the Latino-American Association. The second largest product group is prepared and preserved tuna and skipjack, mostly coming from ASEAN countries. Total quantity of U.S. fish and fishery products imported into Serbia was only 1,541 MT for $3.11 mil. or 3.7 percent of total imports of Serbian fish and fishery products. The US total exported value of fish products to Serbia in 2007 was 11 percent higher than in 2006; but in terms of volume, it was 4.6 percent lower.

As of 2003, the fish consumption in Serbia was estimated at 3.6 kg per capita and in 2007 at 5.8 kg per capita. Hake is the most consumed fish in Serbia, followed by carp, trout, mackerel, sardines and sprat. Markets for fresh and frozen fish (especially frozen hake, fillets, trout, salmon, mackerel and squids) continues to be growing. Imports of processed fish and crustacean have also gone up considerably. According to the industry and experts expectation, the consumption of more expensive fish will rise about 10 percent and the consumption of less expensive fish will rise about 5 percent for next year.

The improvement of economic conditions in Serbia, limited domestic supply, increasing trend of fish consumption, change in the philosophy of nutrition towards healthy food make Serbia excellent market for U.S. seafood export.

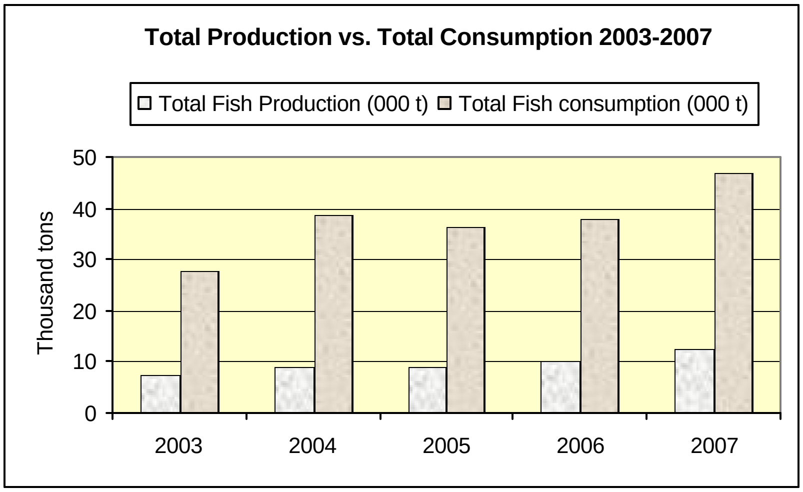
Overview of the Serbian Fishery

Production

Serbia is a land-lock country. It has a 66,000 km network of rivers and streams, 5,000 ha of natural lakes and about 150 artificial lakes with a total area of 25,500 ha. The canal system connected with the Danube and Tisa river (3,600 ha) is the biggest and most economically viable. Among the 29 species currently exist in Serbian water, carps and trout are the most abundant. The fish sector contributes a small portion of Serbian agriculture GDP (around percent). Lack of investment and environmental constraints have been the main factors for the slow growth of this sector in the past 10 years, especially during the period 1999-2003. Following the privatization of several state owned fish farms in the last three years, the fish sector experienced some recovery and moderate growth in production.

Total fish production in Serbia in the past six years has fluctuated between 7,000 and 12,500 MT per year, valued at $ 27-47 mil. Domestic production and imports of fish and fishery products started to increase in 2004 reaching its peak in 2007. In 2007 total fish production was estimated at 12,500 MT, 25 percent higher than in 2006, contributed 36 percent to the total Serbian fish market volume. Since total Serbian production is much lower than the total domestic consumption needs, Serbian fish and seafood sector heavily relies on imports. Over the past couple of years, despite the restructure and privatization of Serbian Agriculture and government's effort to harmonize local trade practices with the EU, Serbian fish industry is not experiencing dramatic growth.

Figure 1. Total captures and fish farms production and consumption during period 2003-07



Fish captured from lakes and rivers is steadily increasing for the last 10 years and in 2007 was over 2.000 MT, 3 times higher compared to 2001. Still captured fish represents between 20 and 25 percent of Serbian total fish production. Official fish production estimates tend to be lower than actual production estimates for about 20 percent, due to inefficient reporting systems and fishing activities outside commercial channels.

In Serbia, fish farming is mainly done in warm water for carp production, and in cold water for trout production to a lesser extent. Carp represents about 70 percent of local fish production, followed by rainbow trout about 15 percent and other species (grass carp, silver carp, gray bighead, catfish, pikeperch and pike) account for about 15 percent.

A total area under warm-water fish farms is about 12,000 ha where about 15 percent is out of use. Fish farms are primarily (approx. 97 percent) located in Vojvodina, the Northern part of Serbia. From the total production of warm-water species (10,200 MT in 2007), 80 percent is carp and the rest of the warm water production belongs to big head, silver carp and grass carp.

Cold-water trout farms are located south from Sava and Danube in the hilly mountain part of Serbia. Trout farms cover about 14 ha in Serbia. Total trout production in the period of 2004 – 2007 varies between 2,000 – 2,500 tons per year where fish for consumption represents 70 percent and the rest of 30 percent belongs to the fry production. Depending on the trout farm, they currently use just a small part of their capacities and low production of 12-15 kg/m^3 is mainly caused by water shortage, as well as lack of equipment.

In the last ten years total capacity of already existing fish farms have increased 10 to 15 percent, but the number of newly formed farms (small scales-family farms) have increased for 100 percent.
Major list of the fish producers in Serbia, is available at the FAS Office in the US Embassy Belgrade (http://www.belgrade.usembassy.gov/embassy/fas) .

Processing

Unlike imported marine fish that is present on the Serbian market as frozen, freshwater species are sold mainly alive or fresh and minor part is processed and placed on the market.
Fish processing is taking place in both simple workshops and in modern facilities. Filleting, smoked and vacuum-packed products are carried out in artisan workshops located at the trout farms. Total quantity of such processed fish is rather small (25 to 30 MT) since the capacity of these farm's processing units is from 5 to 10 MT per year. Modern-industrial processing technology in Serbia is applied in the companies such as: "Interfish" from Nis (canned imported

sardines, mackerels, salmon) with the capacity of 900 MT/year, and “Eko-Drina” from Bajna Basta (filleting, freezing, package of rainbow trout) with the capacity of 120 -150 MT. Besides these companies “Carnex” from Vrbas, “Neoplanta” from Novi Sad prepare fish meat paste, and “Frikom” from Belgrade, “LBB FRIGO” from Apatin, “Tropik Ribarstvo” from Belgrade carries out commercial packaging. The number of companies involved in fish processing in Serbia has steadily increasing for the last 5 years and it is realistic to expect that the fish processing capacities in Serbia will increase by about 60 percent in the next 5 years.

Fish and Seafood Consumption and Trend

Serbia is amongst countries with the lowest fish consumption in EU. According to official data from the Statistical Office of the Republic of Serbia, fish consumption in the period from 1996 to 2003 varied between 1.83 to 3.67 kg per capita. The consumption pattern was a result of local eating traditions, low purchase potential of the population, lack of education on health benefits from fish consumption, low supply and inappropriate marketing. However, for the last couple of years, fish consumption in Serbia trending upward. It is estimated that the fish consumption between 2004 and 2006 was about 5 kg per capita and in 2007 5.8 kg. Considering the quantity of imported, exported, produced and captured fish, official figures on fish consumption in Serbia per capita are lesser than the actual one. The difference between official data and unofficial estimate is due to part of the fish is placed on the market throughout illegal channels.

Fish consumption over the year is seasonal due to religious tradition. The largest quantity is consumed from October to December during the fasting period when the most popular fish species are trout, carp and hake. The average fish consumption in the last four years during the October-December period was about 58 percent of the total fish consumption for a whole year.

Hake is the most consumed fish in Serbia representing 40 percent of imported fish, than comes carp, trout, mackerel, sardines and sprat. Lobsters, cod, sole, marine salmon, calamari, squids are much less consumed because of high prices.

Tab.1. Share of fish and seafood in the diet of Serbian population in 2007.

Fish and and seafood	Fresh water spacies	Seawater species (hake, frozen)	Salmon	Filets of seawater fish	Canned fish	Aquatic inverte brates	Other (surimi,	Total
Quantity in tons	14.8	19.1	478	2.4	8.6	1.4	956	47.8
Percentage share	31	40	1	5	18	3	2	100

For the choice of fish, the most important is the price and the visual appearance of the product. Only about 8 percent of customers choose a fish by brand, species, appearance and aspects such as fat content, fat origin, or quantity of salts.

Trade of fish on the Serbian market is carried out through specialized shops for fish trade or supermarkets equipped for fresh and frozen fish trade. The shops are supplied by the whole sales or directly from the fish farms. Price of fish varies between shops about 10 percent, depending on locations – city, distance from the farm or distribution center. Main distribution center is Belgrade, capital of Serbia with the biggest population. Urban consumers buy 30 percent more fish then rural population due to higher income.

An indication of growing fish consumption is also the fact that almost all retail chains started to open fresh fish pavilion: Metro, Rodic, Idea, Mercator, in 2005 and 2006. Initially, these pavilions were the most active during the high season consumption (October-December due to the traditional religious holidays) but gradually expanded their sales throughout the year. The Hotel and Restaurants Industry (HRI) sector is also reporting higher sales. Major restaurants and hotels expanded their fish menu and according to a survey among food service managers, they unanimously expect an increase in fish consumption of at least 18 percent in the next 2 years.

It is expected that the consumption of filets, processed fish, ready to cook products as well as more expensive fish (such as sea bass, sea bream, and salmon) will rise for about 10 percent and less expensive fish (hake, sprat, sardines) consumption will rise about 5 percent for next year. Furthermore, trend of consumption is shifting toward more convenient packaging such as family size portions.

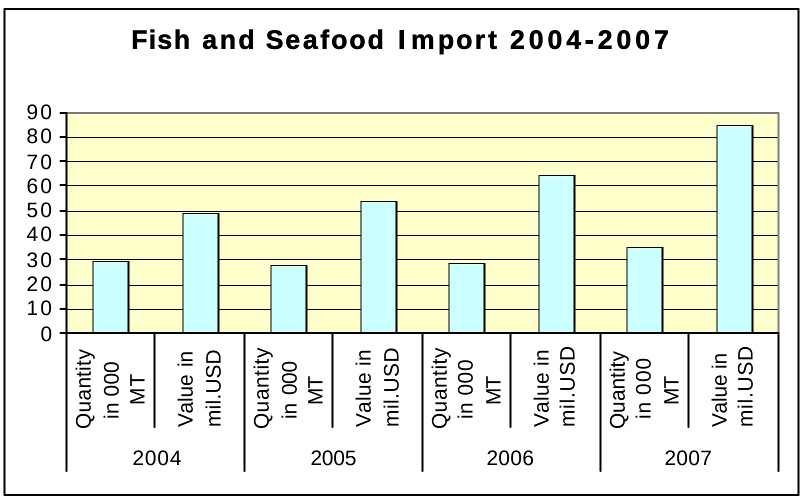
Market Analysis

Market Structure and Trends

Imports and Exports of Fish and Seafood Products

Serbia is a net importer of fish products and the trade deficit continues to grow. Value of imported fish from 2000 was constantly increasing reaching its peak in 2007; the total fish and fish products import in 2007 was $ 84.62 mil. while the value of exported fish was small (about $ 4 mil.). Fish trade accounts for only 1 percent of Serbian total agriculture trade.

Fig. 2. Quantity of fish and seafood imported in the period 2004 – 2007



The total fish and seafood import into Serbia in 2007, expressed by country and category can be reviewed in Table 2.

Table 2. Fish and seafood imports into Serbia in

Countries per category of fish and seafood	2007	
	Quantity in MT	Value in
Total Import	**35,385**	**84,618**
Fish, fresh or frozen (tariff code:0301-0304)	22,562	46,975
Countries of Latino-American Association	8,404	17,894
EU	5,476	9,219
Formal countries of SFRJ	2,262	6,507
Developed Countries of America	3,727	6,869
ASEAN	834	2,858
Countries in Transition of East and South Asia	550	1,492
Others	1,306	2,136
Fish, dried, salted, smoked (tariff code: 0305)	12.4	222
EU	5.6	113
LAIA	4.8	104
SFRJ	2.0	6
others	0.0	0
Crustacean and other invertebrates (tariff code: 0306 and 0307)	1,074	3,827
EU	315	1,490
Developed Countries of America	428	1,139
LAIA	73	297
SFRJ	24	114,
Country of Bangkok agreement	50	300,
Developed Countries of Australia	107	251,
Others	77	236
Fish, Crustacean etc. processed (tariff code: 1604 and 1605)	11,736	33,595
ASEAN	6,785	15,938
EU	2,273	8,259
Formal countries of SFRJ	1,700	6,359
Countries of MAGREBA-a	214	684
Countries of LAIA	313	907
Countries in Transition, central and East Europe	263	767
Developed Countries of America	113	378
Others	75	301

Fish and seafood imports from the World (for the first five countries) for the period of 2004-2006 can be reviewed in Appendix I, table no 10.

Average price per kg of fish and seafood imported in 2004 was $1.72, in 2005- $1.91, in 2006- $ 2.16 and in 2007 was $ 2.39. These figures indicate that mainly low-priced fish is imported.

Principal part of the fish and seafood imported in 2007 is fresh or frozen (around 64 percent). Sea-fish, fresh and frozen, is the major part of the import (between 50-60 percent) as well as canned fish (about 24 percent). The most important product group, in terms of value is hake, representing 43 percent of the imported fresh or frozen fish. In regards to the frozen filets, the biggest amount is coming from Argentina, Venezuela and Vietnam. Lesser part of fresh or frozen fish is frozen fillets (17 percent), freshwater fish (6.3 percent), and invertebrates: lobsters, shrimps, prawns, octopus, mussels and squids.

Table 3. Serbian Import - top 10 commodities by value, 2007

No.	Tariff Code	Product	Quantity (MT)	Value ($ mil.)
1	30378	hake, frozen	10,576	20.3
2	160414110	preserved tuna, skipjack	5,716	14.7
3	30420	fillets, frozen	2,669	8.0
4	160413190	sardines, canned	2.223	7.0
5	160420900	fish, preserved and other	1,157	3.5
6	30374	mackerel	2.558	3. 3
7	30193	carp. live	1,039	3.0
8	30371	sardine	2,791	2.3
9	30269	fish, fresh, coldish	235	2.8
10	30749	squids and other	715	2.0

Table 4. U.S. Fish and Fish Products Export into Serbia (2004-2007)

Year	2004	2005	2006	2007
Quantity	1,178	1,809	1,614	1,540
Value (mi	1.72	2.88	2.79	3.11

Fish export from Serbia is much smaller than import. Total Serbia's fish and fishery export is mainly going into the CEFTA countries (96 percent). Total value of fish and fishery products export in 2007 was about 1,3 MT for the value of $3.87 mil. Average price per kg of fish and seafood exported in 2004 was $3.22; in 2005, $4.4; and$4.1 in 2006, twice higher than the average price of imported fish. Excluding 611 MT of snails exported from Serbia for the value of $709,000, average price per kg of fish and seafood exported in 2007 was $4.77.

Table 5. Fish and seafood export to the World (for the first 5 countries and per year)
(Source: Statistical Office of Republic of Serbia)

Countries per category of fish and seafood	2004		2005		2006		2007	
	Quantity in MT	Value in 1,000 $	Quantity in MT	Value in 1,000 $	Quantity in MT	Value in 1,000 $	Quantity in MT	Value in 1,000 $
Export total	173	557	499	2,184	713	2,951	1,299	3,993
Fish, fresh, frozen	156	415	119	265	134	267	186	580
Fish, dried, salted, smoked					0.1	2	0.4	0.8
Crustacean, and other invertebrates	11,190	58	14	60	0.1	8	Snails 611	Snails 709
Fish, Crustacean etc. processed	5,773	84	367	1,859	578	2,674	503	2,704

Marketing and Distribution

Marketing of fish and fishery products in Serbia is still very weak. There are few TV commercials, no supermarket promotions and modest hotel and restaurants promotions. Distributors and retailers still rely on objective consumer trends to increase their sales. Distribution of fish products faces infrastructure challenges. Over the past 2 years, wholesale markets and retail markets significantly improved their ability to move frozen products with shorter shelf life. All large importers distribute their products by their own distribution network, which includes retail and food service outlets, and catering clients. There are no specialized companies to provide only distribution service for fish products. For this reason, local fish producers and processors use large importers to distribute their product locally.

Wholesale and Retail Prices

In wholesale, the most important is frozen sea fish with the dominance of hake because of its price, ease of preparation, small amount of fish bones, and consumer's habit. After the hake, mostly popular is the carp. Frozen mackerel and fresh trout are almost equally represented on the market with 2,500 to 3,000 tons per year. On the domestic market, sprat and sardines, big head, and grass carp are present as well.

Wholesale prices of fish and fish products that dominate the market are in the range of $1.2 to $14.3 (Tab. 6). The most frequently traded sea fish, frozen hake has approximate wholesale price of about $2.8. Freshwater fish that is most frequently marketed in wholesale is the carp. Its price is $3.4.

Table 6. Average annual (2007) wholesale prices ($) for selected species

Selected species	Average annual wholesale prices/kg
Trout, un-cleaned, fresh	4.3
Salmon, fillets, fresh	14.3
Carp, live	3.4
Big head, live	2,9
Grass carp, live	3,4
Hake, frozen	2.8
Mackerel, frozen	2
Sea bass, fresh	9.8
Sea bream, fresh	9.4
Squid, un-cleaned, fresh	4.3
Squid, cleaned, fresh	6.4
Mussels	12
Octopus	14.1
Sprats	1.2
Sardines	1.7

In the fish stores, mainly located on market places, most frequently sold are frozen fish and fish products such as hake, mackerel, sprat, sardine, squid, fish burgers, and fish fingers. Most frequently sold fresh are trout and wells, and sold live are carp, big head, and grass carp. Contrary to relatively small choice in fishmongers in big supermarkets ("M Rodic", Metro, Merkator, Idea, Tempo) the choice of fish is better (Tab. 7 and 8).

Table 7. Assortment and retail prices of fresh fish at the biggest hypermarket in Serbia-2007

Item	Retail prices-US$/kg
Rainbow trout, fresh	5.3
Carp, fresh, live	3.9
Carp, cleaned	4.8
Salmon, fillets	17.6
Common dentex (Dog's teeth)	27.2
Sea bass, fresh	12.5
Sea bream, fresh	11.7
Squid, cleaned, fresh	13
Sardines, fillets	9.3

Table 8. Assortment and average prices of frozen fish and seafood at the biggest hypermarket in Serbia–2007

Item	Packing in kg	Retail prices at packing in $
Mackerel, frozen	1.00	4.0
Trout, cleaned	1.00	9.3
Trout, fillets	1.00	18.5
Grouper, headless	1.00	9.1
Hake, headless	1.00	4.3
Hake, fillets	1.00	7.7
Sprats	1.00	2.1
Dogfish, fillets	1.00	5.5
Catfish, fillets	1.00	11.1
Squid, un-cleaned	1.00	5.5
Squid, cleaned	0.50	4.1
Mussels	1.00	14.7
Octopus, cleaned	0.50	9.0
Crab breaded	0.25	3.1
Shrimps, cleaned,	1.00	11.0
Shrimps black tiger	1.00	18.1
Lobsters, meat	0.25	3.6
Sea food	0.27	6.0
Cocktail Shrimps	0.50	11.0
Breaded shrimps	0.25	7.0
Crawfish in sauce	0.20	5.7
Fish fingere breaded	0.30	2.6
Fish fillets with mushrooms	0.30	2.6
Medallion of hake	1.00	7.4
Fish burger breaded	0.25	1.6
Fish fillets with cheese	0.30	2.6

Table 9. Retail prices of fish and fishery products per month in 2008

Retail prices of fish and fishery products expresed in kg per $											
Product	Jan.	Feb.	March	April	May	June	July	Avg	Sept	Okt	Nov
Fresh carp	4.45	4.39	4.67	5.48	5.43	5.60	6.17	6.12	5.93	5.20	4.68
Fresh trought	5.73	5.63	5.91	6.16	5.99	6.07	6.12	5.80	5.83	5.03	4.53
Frozen hake	3.97	3.92	4.16	4.34	4.23	4.28	4.42	4.29	4.17	3.67	3.46
Sardine in oil	8.28	8.45	9.05	9.49	9.33	9.61	10.06	9.89	9.61	8.48	7.57

Source of Data: The Statistical Office of the Republic of Serbia

High-value products (lobsters, cod, sole, marine salmon, shrimp, calamari, squids) do not represent an important position in trade and consumption. In the total quantity of fish and seafood consumed, salmon correspond to about 2 percent while invertebrates (lobsters, shrimp, calamari, squids…) about 3 percent. Among invertebrates most consumed are squids that stand for half of the total quantity of invertebrates consumed. Least consumed are lobsters.

Trade Agreements

On September 24th 2007, the Parliament in Belgrade ratified the Central European Free Trade Agreement (CEFTA). Serbia has the largest net exports of all CEFTA signatory countries. In terms of Serbian international export, 32.4 percent of Serbia's total export is to CEFTA countries, and in terms of import, 7.7 percent. By the end of 2007, Serbia had achieved a $1.341 billion trade surplus in trading with CEFTA countries and a deficit with only two

countries – Croatia and Moldova. From Serbia's total export of fish and fishery products in 2007, almost 96 percent (1,250 MT) went to CEFTA countries.
It is hard to predict when Serbia might join the EU. In 2008, Serbia continued its negotiation for accession to the World Trade organization (WTO). Serbia needs to adopt a series of primary and secondary legislations, including food safety and phyto-sanitary regulations, in order to bring its economy and agriculture in line with WTO standards. The U.S. granted Serbia Generalized System of Preferences (GSP) trade benefits in 2006. The GSP status currently provides preferential duty-free entry for more than 4,650 products, including most manufactured and intermediate goods and selected agricultural and primary industrial products.

List of Fish and Seafood Tariff Codes and Import Duties are available at the FAS Office in the US Embassy Belgrade: http://www.belgrade.usembassy.gov/embassy/fas/index.html

Legislation and Import Regulation

Legislation

Aquaculture is under the authory of the Ministry of Agriculture, Water Management, and Forestry but the fishery is under the authority of the Ministry of Environmental Protection. However, it is expected that the authority over the fishery will be transferred to the Ministry of Agriculture. Part of administartive management in the Province of Vojvodina is transferred to the Provincial Secreteriat for Agriculture, Water Management, and Forestry.

The following laws and regulations control the Serbian fish production, imported fish and seafood as well as their products:

- Law on Fishery (Official Record of the Republic of Serbia, no. 35/94 and 38/94).
- Law on health safety of food and objects of common use (Official Gazette SRJ br. 53/91; 24/94; 28/96)
- Law on health safety surveillance of food and objects of common use (Official Gazette SRS br. 48-77; 29/88; 44/91; and RS 48/94)
- Law on genetically modified organisms (Official Gazette SRJ no.21/01)
- Law on quality control of agricultural and food products in international trade (Official Gazette SRJ br. 12/95; 28/96; 59/98)
- Regulation of quality and other requirements for fish, crustaceans, shellfish, sea urchins, sea cucumbers, frogs, turtles, snails and their products (Official Gazette SRJ br. 6/03; Sl. List SCG br. 56/2004)
- Regulation on microbiological safety of food in commerce (Official Gazette SRJ 26/93; 53/95)
- Regulation on method of veterinary-sanitary examination and control of animals before slaughtering and products of animal origin (Official Gazette SFRJ, 68\89)
- Regulation on quantity of pesticides, metal and metalloids and other toxic substances, chemotherapeutics, anabolic and other substances that could be present in food (Official Gazette SRJ, 5/92)
- Regulation on conditions for commercialization and use of drinking water, food, and objects of common use that contain radioactive materials exceeding specific threshold of activity (Official Gazette SFRJ, br. 23/86)
- Regulation on declaration and labeling of packed food (Official Gazette RS 4\04; 12/04 and 48/04)
- Customs law (Official Gazette RS br. 73/03; 61/05)
- Law on international trade (Official Gazette RS br. 101/05)
- Law on customs tariff 2008

Import regulation

In order to receive import authorization and to import fish and/or fishery products into Serbia, importer has to submit the request to the Ministry of Agriculture. Foreign partner has to provide necessary documentation, including the Health Certificate for fishery products from the United States intended for export to the Republic of Serbia, which has to accompany the shipment. All necessary information and data related to the fish and fishery products import can be obtained from the Ministry of Agriculture, Veterinary Directorate:

Contact person:
Mr. Sinisa Kotur, Head of Department
Veterinary Directorate, Department for International Trade and Cooperation
1 Omladinskih Brigada, Belgrade
Phone/Fax: +381 11 26 02 634
E-mail: sinisa.kotur@minpolj.sr gov.yu

Health Certificate for fishery products from the United States and intended for export to the Republic of Serbia can be obtained from the National Oceanic and Atmospheric Administration (NOAA) and/or from the U.S. Department of Commerce.

Fish and Seafood Tariff codes and Import Duties data are available at the FAS Belgrade Office in the US Embassy Belgrade: http://www.belgrade.usembassy.gov/embassy/fas/index.html

Trade Shows and Conferences in Serbia – (fishery related)

In Serbia, Trade Shows and Conferences related to the fishery are taking place:

- At the Belgrade Fair (www.sajam.co.yu): there are two manifestations related to the fishery: International fair of brands (in March) and Trade show of food and vine (in November)
- At the Novi Sad Fair (www.nsfair.co.yu) there are two manifestations covering the area of fishery: International agricultural fair (in May) and International fair of food and beverage (in October) and
- Every second year at the University of Belgrade, Faculty of Agriculture (www.agrifaculty.bg.ac.yu) organizes the International Fishery Conference and Trade Show.

Market Opportunities

Fish and seafood market potential and prospective

For the last couple of years, fish consumption is increasing and so do imports. In the last three years, the price of imported fish per kilogram is higher due to higher demand for better quality fish. Actual fish consumption is still under the European average, approximately three times lower. With better living conditions, better collection of fish and fish products, and better marketing, it is realistic to expect further increase of consumption. Because fish production in Serbia is rising slowly, the increased consumption or demand for fish will be satisfied from imports and higher diversity of fish products might be in a demand.

An important precondition for successful placement of fish and seafood on Serbian market and consequently better consumption is to improve marketing and promotion in Serbia. The strategies of promotion and packaging should target different consumers groups and should adapt to the needs of the consumers groups. Marketing should be realized in two directions:

through selling places - shops and through media - exhibitions, trade shows. Shops, especially those in big shopping centers such as Metro, Tempo, Rodic, Merkator, and Idea, can carry out promotions with tasting, printing material distribution, as well as billboards. TV advertising is very effective in Serbia, particularly those broadcasted in winter evenings. Promotions for wholesale customers are useful on trade shows and fairs.

Major list of the fish producers in Serbia, as well as other important contacts for U.S. Exporters in Serbia (traders, distributors) are available at the FAS Office in the US Embassy Belgrade (http://www.belgrade.usembassy.gov/embassy/fas).

U.S. Export opportunities

Despite the fact that for the last three years US is among first five countries from which the largest quantity of fresh and frozen fish was imported into Serbia, U.S. share in total fresh frozen fish imports was still low; in 2007 just about 6.37 percent in tonnage and 5.86 percent in value. The most popular frozen fish species imported from the U.S. are frozen mackerel, salmon, hake and squids. Import of US processed fish, crustacean, etc. was not significant and it is showing downward trend in 2007.

The highest fish and fishery products import in 2007 was from the Countries of Latino-American Association-LAIA(80 percent has Argentina origin), EU (Spain, Italy, Ireland, Greece) and ASEAN countries (the most important are Thailand and Vietnam). There are several reasons why U.S. fish import value is not close to the import value of the top three importing countries of fish into Serbia:

- Lack of direct contacts between the US suppliers and Serbian importers, which would provide more profitable business relationship for both sides. For example, the Serbian importers of California Squids are having difficulties to establish direct contact with the US suppliers; they are purchasing California Squids via EU dealers or buying squids from Spain instead.
- Lack of US fish distribution network in EU
- Higher prices of US product in comparison to the Asian Countries products (canned tuna, shrimp, squid, frozen fillets from Vietnamese Basa Fillets– paugasius fish)
- Availability of U.S. fish and/or fishery products. For example, Serbian importers would rather to purchase processed Alaska Pollock (US product) directly from the US supplier instead from the Chinese processors.
- Quality issues: For example, the biggest import share belongs to Argentina frozen hike (Merluccius hubssi), which is much better received on Serbian market than US hake, merluccius productus (so–called Canadian hake) due to the quality issues.

The opportunity for increased total sale of US fishery product on Serbian market is promising since Serbian fish production is rising slowly and a trend of increased consumption and increased presence of quality fish and fish products in the diet of Serbian population is obvious. These opportunities will continue in the future and more diversity of fish products might be in demand. Currently there are no non-tariff restrictions limiting US fish export to this market.

APPENDIX I: Fish and seafood imports for the period of 2004-2006

Table 10. Fish and seafood imports from the World for the period of 2004-2006
(for the first 5 countries-largest imports)

Countries per category - fish and seafood	2004		2005		2006	
	Quantity in MT	Value in 1000 $	Quantity in MT	Value in 1000 $	Quantity in MT	Value in 1000 $
Import	**29,536**	**49,413**	**27,928**	**53,446**	**28,738**	**61,446**
Fish, fresh or frozen	23,044	33,357	19,817	32,181	20,096	37,479
Argentina	9,314	13,808	7,802	13,209	7,092	13,464
Bosnia and Herzegovina	1,528	3,812	1,526	3,520	2,174	5,251
Ireland	2,652	2,654				
US			1,539	2,300	1,200	1,968
Spain	962	1,837	1,323	2,113	1,369	2,179
Poland	1,911	1,122				
Italy			162	1,316		
Canada					1,269	2,140
Fish, dried, salted, smoked	**46**	**192**	**21**	**153**	**15**	**169**
Denmark	3.5	49	1.4	22	1.4	22
Argentina	26	47				
Italy	1.2	29	4.8	50	3.0	47
Norway	1.4	25	1.6	24	2.8	56
Bulgaria	11.2	22	6.0	16	4.3	16
Poland			3.0	18	2.0	9
Crustacean, and other Invertebrates	**64.9**	**2,128**	**686**	**2,473**	**858**	**2,861**
US	296	617	314	662	376	736
Spain	78	366	86	375	63	260
Italy	55	355	60	418	55	361
New Zealand	48	153	76	247	70	192
Denmark	19	126				
Falkland Islands (Malvinas)			44	183	109	377
Fish, Crustacean, etc. processed	**5,795**	**13,735**	**7,403**	**18,639**	**7,768**	**20,937**
Thailand	2,411	4,229	3,656	7,472	2,723	6,027
Croatia	994	3,192	1,247	3,957	1,207	3,896
Philippines	410	1,111				
Italy	134	994	165	1,348		
Spain	189	787	265	1,089	532	1,732
Morocco			357	859	626	1,677

Table expressing detailed import by species and countries for the period of 2004 – 2007 is available at the FAS Office in the US Embassy Belgrade (http://www.belgrade.usembassy.gov/embassy/fas) .

APPENDIX II: Contacts

Government Regulatory Agency Contacts

- The Ministry of Agriculture, Forestry and Water Management - Veterinary Directorate, (1 Omladinskih brigada ST., 11070 New Belgrade; Phone /Fax. +381 11 2604 629)

- Ministry of Environmental Protection, Republic Inspectorate, 91 Dr Ivana Ribara St., Belgrade; (Phone: +381 11 2157 997, Fax: +381 11 2157 539)

- Provincial Secreteriat for Agriculture, Water economy and Forestry (21000 Novi Sad, Bulevar Mihajla Pupina 16; Phone : +381 21 456 267, Fax: +381 21 456 040)

- Serbian Chamber of Commerce (11000 Belgrade, Resavska 13-15; Phone: +381 11 3241 328, Fax: +381 11 3239 009; E-mail: poljoprivreda@pks.co.yu; www.pks.co.yu)

Important Faculty's, Institutes and Laboratories

- University of Belgrade, Faculty of Agriculture, Nemanjina 6, 11080 Zemun – Belgrade, Serbia, www.agrifaculty.bg.ac.yu; e-mail: ribarstvo@agrifaculty.bg.ac.yu; tel. + 381 11 261 2664; tel/fax. + 381 11 316 8499

- University of Novi Sad, Faculty of Agriculture, Trg Dositeja Obradovica 8, 21 000 Novi Sad, Serbia, www.polj.ns.ac.yu; dezna@polj.ns.ac.yu; tel. + 381 21 350 366; tel. + 381 21 350 711, fax. + 381 21 350 019

- Institute of Veterinary Medicine of Serbia, Vojvode Toze 14, 11000 Belgrade, Serbia; E-mail: nivst@net.yu, tel + 381 11 402 323; fax. + 381 11 24 24 817.

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- Institute for meet hygiene and technology, Kacanskog 13 street, 11000 Belgrade, Phone: +381 11 2650 655; Fax +381 11 2651 825; E-mail: meatinst@beotel.yu; www.inmesbgd.com

- Centre for Multidisciplinary Studies, 1 Kneza Viseslava , Phone: +381 11 3555 258, fax +381 11 3055 289, Belgrade (http://www.cms.bg.ac.yu/engleski/default.htm).