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Italy

Fishery Products

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Report Highlights: Italy consumes much more seafood than it can source domestically. The Italian fishing fleet follows EU Fisheries Council norms to reduce the catch; aquaculture is growing modestly. Italy imports almost $2.8 billion in fish and seafood yearly. In 2002 the U.S. lead as the supplier of lobsters but fell behind Thailand and South Africa on squid sales. The EU is a significant but declining supplier to the Italian market. Commercial and institutional catering is the largest outlet for fish consumption in Italy.

Includes PSD Changes: No
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Section 1. Situation and OUtlook

Executive Summary

Italy is a net importer of seafood products; in 2001 national fish production (including capture fishery and aquaculture) was 610,012 M.T. and domestic consumption was estimated at over 1.2 Million MT. Imports stood at 777,147 MT and exports at 120,256 MT. The annual per capita consumption is about 23 kilograms (Kg). The Italian trade deficit for seafood in 2002 was stable in value (+ 0.04) at 2.4 Billion US $ and increased in volume (+ 1.5%) to about 660,000 MT.

Total Italian fish imports in 2002, accordinge to ISTAT (Italian official Bureau of Statistics), were stable in quantity (-0.3), increased in Euro value (+ 0.7%) although this was an increase of 4.8% if converted to U.S dollars, equivalent to 2.84 billion. Almost half of Italy's seafood imports come from other EU member states. Spain is by far the leading supplier accounting for 21.3 percent (by volume) of total Italian imports.

Aquaculture and fisheries do not play an important role in to the national GNP,but these activities play a crucial role in the costal zone economy. These activities employ more than 44,500 people in fisheries and 15,000 in aquaculture.

In 2002, Italian household fish consumption weakened compared to the previous year. The consistent increases of the average price for most fish products have heavily penalized family purchases. Purchases of fresh and defrosted fish products, which represent about 50 % of total family purchases, decreased by 14.6 percent. It is evident that overall seafood consumption and imports are linked to the general economic climate in the country.

In a country where culinary traditions consider freshness of absolute importance, frozen products have had problems overcoming customer resistance. However, demographic changes, improved availability and large investments in television advertising have raised acceptance levels of frozen fish in the last 10 years. Furthermore, increasing consumer desire for convenient products requiring a minimum of preparation and cooking time has resulted in a growing market for value added products. A stream of new products has been launched in all the major product categories mainly in the chilled, frozen, canned/preserved and prepared foods. A large industry of value added producers has developed, mainly in the Northern regions. These companies use imported or domestic raw materials of wild and farmed origin with a mix of fresh and frozen material.

The commercial and institutional catering sector is the largest outlet for fish consumption in Italy. Modern distribution is also increasingly playing an important role in the distribution and consumption of seafood products in Italy.

Italy ranked sixth in the EU export market by value for US fishery products during 2002. Decreases in volume were registered for US origin squid. The high US export prices made the US product less competitive**.** Live lobsters consolidated exports to Italy. High restaurant demand was the major factor behind this increase. US squids have been facing tough competition in recent years from other countries which enjoy duty free status and very low quotations.

Salmon continues to face stiff price competition from northern European countries and Chile. However, recent marketing efforts at catering level to introduce fresh wild Alaska salmon have obtained positive and encouraging results. These promotions hopefully will also stimulate purchases of frozen wild Alaska salmon which is available all year around. Surimi and fish eggs have both increased exports to Italy. Whitefish fillets, cod, dogfish, clams and eels have margins to gain market shares in Italy.

Italian consumers typically demand high-quality, traditional Italian products. Its high per capita spending on food demonstrates that consumers are willing to pay a high price for quality products.

Exchange rates used in this report are as follows:
2000: $1 = € 1.09
2001: $1 = € 1.12
2002: $1 = € 1.06

Production

Marine fisheries

Due to reduced fishing capacity (decrease of the number of vessels (-9.5 %), tonnage (-9.7%) and number of fishing days) and the depletion of certain fish stocks, the total Italian fish catch in 2001 decreased by 13.7 % in 2001 compared to the previous year. The wild Mediterranean catches have dropped from 465,000 MT in 1998 to about 338,518 MT in 2001. Oceanic catch decreased 41 % in volume and 22 % in value.

Decreases were registered in most species but more so for the crustaceans, clams and finfish. Smaller drops were registered for other mollusks.

Table: Italian Fishing Activity

	2001 *	**% Change 01/00**	**2002** (preliminary)**
Number of Vessels*	16,636	-9.51	15,814
GRT (Gross Registered Tonnage)	187,347	-9.7	178,302
Total Engine Power (KW)	1,300,256	-7.5	1,258,212
Fishing Activity (Number of days)	2,816,850	-8.5	Not available
Average GRT	11.3	0.2	11.3
Average Engine Power	78.2	2.3	79.5
Average Fishing days	169.3	1.2	

Source: IREPA
Notes: *The above data does not include 30 vessels for high-seas or distant water fishing
** the data for 2002 does not include 24 vessels for high-seas

Table: Catch by Type of Gear

Type of Gear	CY 2001 MT	CY 2002 * MT
Bottom Trawlers	106,027	91,917
Pelagic Trawlers	42,509	40,698
Purseiner	33,130	31,303
Dredger	26,586	14,386
Small Scale Gears	69,061	58,597
Multi Purpose Gears	43,283	39,115
Tuna Purseiner	17,922	13,169
Total	**338,518**	**289,185**

* Preliminary Data

Table Total Italian Seafood Production, 2001
(the latest data available)

	M.T.	% Change 01/00	Value Million USD	Average value (USD/Kg)
Mediterranean catch	338,518	-13.7	1,392	4.11
of which:				
Anchovies	50,240	-13.7	70	1.4
Pilchards	30,534	-3.9	22	0.7
Others	148,442	-13.1	743	5.01
Clams	23,892	-14.5	66	2.75
Mussels *	57,384	-9.2	244	4.25
Crustaceans	28,026	-22.2	247	8.81
Oceanic Catch	10,044	-40.9	28	2.86
TOTAL WILD CATCH	348,562	-14.8	1,420	4.08
Fish Farming	71,450	4.2	264	3.68
Shellfish farming **	190,000	0.5	209	1.1
TOTAL AQUACULTURE	261,450	1.5	473	1.81
GRAND TOTAL	**610,012**	**-8.5**	**1,893**	**3.1**

Exchange rate $1= € 1.06
* clams not included
**Mytilidae (natural banks) are included with the shellfish farming (30,000MT)
Source: Osservatorio IREPA ; API/ICRAM ; Federpesca

The practice of fishing in the Mediterranean is dominated by small scale-inshore fishing. The small scale inland fishing is practiced in coastal waters aboard non industrial vessels that do not use industrial-type gear (trawl nets, seine, and long lines for large pelagic species). Many factors have contributed to enduring nature of small scale inshore fishing and its resistance to industrialization and modernization: the narrow continental shelf, the variable and diverse ecosystem, the presence of fish stocks with commercial values, the seasonal nature of many species and their importance in terms of food and earnings. The socioeconomic dependence of certain coastal zones on fishing resides in the fact that it is the only source of work.

Italian fishing methods vary from coast to coast. The Ligurian and Tyrrenian sea fishing zones have typical Mediterranean characteristics with a predominantly artisan organizational structure. The total catch in this area is of variable quality. The type of fish caught mostly falls into the category of "other fish", followed by pelagic species, (i.e. sardines, anchovies, tuna, swordfish), demersal fish and hake (merluccius merluccius, mullus barbatus and aristeidi).

The Adriatic Sea catch consists mainly of mollusks (clams: venus gallina, chamelea gallina, venerupis aurea), crustaceans, demersal and pelagic fish. Sea fishing in Sicily is characterized by the presence of the industrial fleet from Mazaro del Vallo which operates in the Sicilian channel. Hake is the main catch in terms of tonnage, followed by white shrimp, smooth hound, flying squid and sardines. The Sardinian fleet is made up entirely of typically Mediterranean boats and has an exclusively artisan organization structure.

Catches froom the Mediterranean seas are mostly of the so called “Pesce Azzurro” (blue fish) such sardines, pilchards, anchovies and mackerel. “Pesce Azzurro” account for up to a third of total Italian landings. Mollusks are found in all of the Italian sea, although the catch is steadily declining. Under Italian law, mollusk harvesting is prohibited in polluted areas and only mollusks origin.

Fish Farming – Aquaculture

With an output of 261,450 MT in 2002, Italian aquaculture accounts for about 43 % of total fish production. Italian aquaculture plays a significant importance to the economy of the regions where it is practiced. Some environmental concerns have constrained development in some areas. The rapid increasing supplies of some foreign aquaculture products (salmon) have lowered prices for both farmed and wild fish catches.

Aquaculture is characterized by the farming of a wide range of different species and applied technologies due to the diversity of available sites.

Aquaculture production in 2001 and preliminary data for 2002, by grouping of cultured species and the rearing techniques is summarized in the table below:

Table: Italian Aquaculture Production by Species (Tons), 2002

Species	2001			01/00	2002*
	Intensive M.T.	Extensive M.T.	Total M.T.	% Change	Intensive M.T.
Sea bass	8,900	600	9,500	17.3	9,000
Sea bream	6,800	1,000	7,800	30	8,000
Sargo	400		400	0	400
Gray Mullet		3,000	3,000	0	0
Eel	2,400	100	2,500	-7.4	1,800
Trout	44,000		44,000	-1.1	41,500
Catfish	650		650	18.2	600
Carp	700		700	0	650
Sturgeon	700		700	27.3	750
Others	2,200		2,200	4.8	2,200
Total Finfish	66,750	4,700	71,450	4.2	64,900
Mussels			135,000	-0.7	n/a
Carpet shells			55,000	3.8	n/a
Total Bivalves**			190,000	0.5	n/a
Grand Total			**261,450**	**1.5**	

Source: API, ICRAM
* Preliminary API data ** Total of bivalves includes wild catch Mytilidae (natural banks) (o/a 30,000 MT) output from aquaculture

Among the species group, mollusk is the faster growing category for production volume thanks to the Manila clams's production. Among finfish, fresh water is the second group in terms of volume mainly due to the rainbow trout production.

Euryhaline finfish production in Italy increased over 66% in the last decade following a common Mediterranean trend.

Eel production is concentrated in freshwater and low salinity environments and 87% of outupt is accomplished in intensive rearing techniques. A large part of production is concentrated in a small number of big farms located mainly in the North part of Italy. The present satus and the future of eel farming are conditioned by the availabilitty of glass eel from the wild. The decrease of extensive production is due to lack of available seed and during recent years some eel plants were converted to sea bass and sea bream production.

Mullet: Farming is almost entirely based on extensive techniques, with wild juveniles restocked in coastal lagoon and semi-intensive ponds. Production of mullet has remained stable during recent years to 3,000 MT. A slight increase in selling price and consumer demand could improve production.

Sea bass and sea bream: Sea bass and sea bream production has grown rapidly over the past ten years and in 2002 stood at 8,000 MT and 9,000 MT respectively. In the past production was traditionally carried out in extensive systems, but at present, consist mainly in intensive farming carried out in land-based plants. The rise in intensive output is to be attributed to the technological improvement of production plants and to new production units that have come into operation over the past five years.

Mussel production is estimated at 135,000 MT of which approximately 30,000 MT is collected from natural banks. The traditional farming techniques are based on the pole suspended row techniques in protected lagoon areas although open sea Mari culture is slowly replacing traditional farming practices. Most of the production of the Manila clams takes place in the Po Delta, where productivity sediment components and the high hydro dynamism of the brackish environment favor clam aquaculture.

Thanks to the introduction of new farming techniques, oyster farming is now expanding in Italy. With the aim of improving the diversification of bivalve shellfish also other culture (Chamelea gallina, Venus verrucosa, Modiolus barbatus and Pecten jacobeus) have been undertaken, although only at experiment level.

The real trend of Italian aquaculture development is the increasing product of marine species, both mollusk and finfish.

Production: Processing Industry

There are two major processing types of industries in Italy: the canning, smoking, and preserving fish industry and the freezing industry**.**

Cured, Canned and Prepared Seafood

According to ANCIT (Italian Association of Canned Seafood Products) the total production for the sector in 2002 reached 126,400 MT (8% over the past year) for a value of USD 679 million. This positive result is to be attributed mainly to an increased production of the tuna industry. The Italian tuna processing industry is the fourth largest in the world after the U.S., Thailand and Spain. The concentration of the industry has led to an improvement in efficiency, with fewer companies producing larger volumes.

The use of tuna loins by Italian canners continues to expand. Loins as raw material now account for about 70% of total Italian canned tuna production. However Italy's dependence on imports for its tuna loin supply decreased in 2002. In this year Italy imported 15% less tuna loins compared to 2001 as a result of decreased exports by the two main suppliers: Colombia (-14%) but especially Ecuador (-35%). Kenya and Thailand are other important suppliers of tuna loins to the Italian market and have also increased their importance in the last few years. On the other hand, Spain has become less and less present as a tuna loin supplier to Italy. In 1996 it exported 7 500 Mt of this product to Italy, compared to 700 MT in 2002.

Canned tuna produced in Italy is primarily in olive oil.

Table: Italian Fish Canning Industry – Production 2002

Products	2000 MT	2001 MT	2002 MT	2002 Million USD
Tuna in oil	80,000	78,000	87,000	376.4
Sardines in oil	2,000	2,000	0	0.0
Salted Anchovies	11,000	11,500	12,000	55.7
Fillets of Anchovies in Oil	8,300	8,500	9,000	62.3
Canned Clams	2,500	2,400	2,400	17.0
Other fish preparations (*)	14,600	14,500	16,000	167.9
Total	**118,400**	**116,900**	**126,400**	**679.2**
Value Million of USD	612.8	608.0		
Exchange rate: 1 USD = €	1.09	1.12		1.06

Source: ANCIT

Table: LeadingItalian Fish Canning Industries by Name

Name of Company	Turnover Million US $	% Change 00/99
Star (Findim)	485	2.1
Trinity Alimentare Italia	237	116.8
Palmera SpA	73	2.6
CAM Conservificio	33	5.9
Iginio Mazzola SpA	33	-2.7
Coalma	25	0
Pescatori di Goro	23	19
Società Ittica Europea	20	450
Veneta Pesca	18	17.6
Fjord S.p.A.	17	5.6
Calippo Giacinto Cons. Alim.Spa	17	11.8
Delicious Rizzoli SpA	16	-5.6
Amati Riccione SpA	n/a	n/a
Mondo Pesca Srl	14	7.1
Daunia Food	9	-23.1

Exchange Rate 2000 1 $ = 1.09 €
Source: Largo Consumo
Turnover is referred to the Company's whole production

Table: Trade of Canned/Preserved Fish Products

Products	IMPORT			EXPORT		
	2001	2002		2001	2002	
	MT	MT	million USD	MT	MT	million USD
Tuna in oil	52,009	60,790	218.9	13,957	16,588	74.5
Sardines in oil	3,297	2,684	8.5	672	492	2.8
Salted Anchovies	5,207	6,240	19.8	2,019	910	1.4
Anchovy Fillets in Oil	5,656	5,516	28.3	1,956	4,517	13.2
Canned Clams (*)	6,843	9,443	24.5	724	817	4.7
Other fish preparations (**)	82,312	76,422	393.4	4,741	5,365	27.4
Total	**155,324**	**161,095**	**693.4**	**24,069**	**28,689**	**124.1**

Exchange rate: 1 USD = 1.06 €
Source: ANCIT

(*) Includes preserved mollusks
(**)Includes different product types (cod fillets, stockfish, klipfish, smoked salmon, surimi, and shrimp preparations.

Frozen Seafood Sector

The frozen products sector is a growing industry. Increasing consumer desire for convenient products requiring a minimum of preparation and cooking time has resulted in a growing market for frozen and chilled prepared foods.

During 2002 the overall demand for frozen food reached 725,460 MT with an increase of 1.8 % in quantity and 4% in value. The domestic frozen fish industry is now only available to satisfy about one third of the domestic market. The household demand for frozen fish was slightly down for the packaged product, while the not prepackaged products dropped more significantly compared to the previous year. However, the per capita consumption of frozen fish is expected to grow in future years based on the growing public opinion in Italy that seafood is a healthy option and the more availability of frozen products at retail levels.

The Italian Frozen Food Industry is implementing educational programs for retailers on handling and storing frozen products and advertising campaigns targeted to stimulate growth in consumption. Fish frozen products could benefit of these programs.

According to IIAS, the Italian Frozen Food Institute, total domestic frozen fish consumption in 2002 amounted to 93,630 (- 0.1%) Fish consumption decreased at the retail level while performing well in the catering sector. The consumption of frozen mollusks and crustaceans was stable at 26,650 MT. The Italian frozen seafood processors produce about one third of the total national consumption of frozen fish (excluding clams). Not included in the above totals are the valued added fish based prepared/frozen products such as mixes for fish soups, fish and rice dishes (risotto alla marinara), surimi, cod/hake bites, calamari rings, seafood cocktails, mussels au gratin, etc. Coated frozen products are now gaining some market share thanks to the increasing high level of production innovation. As the market is expanding, also technology is improving, and the sector is no longer limited to plain breaded or battered products, but includes crispier and flavored coatings.

Consumption of frozen meals (stir fry: fish, vegetable or rice based) during 2002 further increased during 2002 reaching a total of 661,420 MT. Opportunities exist in the supply of raw materials such as frozen fish fillets of hake, cod and plaice to meet the demand for convenient, ready to prepare frozen products.

Table: Frozen Seafood Sales (MT) Year 2002

Frozen Fish Products	Retail	%	Catering	%	Total	%
Frozen Fish						
Whole Natural Frozen	33,300		6,280			
Breaded Fish	20,750		3,300			
Mollusks and Crustaceans	24,100		5,900			
Total	78,150	-0.9	15,480	3.9	93,630	-0.1
Source: IIAS, 2003						

Table: Frozen meals (inc. fish) (% 2002/2001)

Frozen Meals (Stir & Fry)	Retail	%	Catering	%	Total	%
First Course	27,450		8,300			
Second Course	4,400		2,000			
Side Dish	17,300		1,970			
Total	49,150	0.7	12,270	2.1	61,420	1%
Source: IIAS, 2003						

DISTRIBUTION CHANNELS AND MARKETING IN ITALY

There are no major changes in the extensive Italian network of seafood distribution from landing sites to final consumers. However domestic and imported seafood are distributed in two different ways. Some of the domestic catch is being distributed to wholesalers, fish mongers at landing sites and some is delivered to restaurants; it is commonly accepted that half of the local catch is sold by fishermen directly and consequently doesn't go through fish markets. Local catch travels by truck: for example local catch landed in Sicilian ports can reach the Milan market the following morning by truck.

Live and fresh fish coming from European countries is also transported by trucks while imported live/fresh fish (like U.S. live lobsters and fresh wild salmon) are brought in principally by air using the Milan and Rome airports.

Importers play a crucial role in deciding what to import and from where to import. Large importers sell directly to the modern distribution chains, to wholesalers and to HRI. Large importers cover the whole country while the middle and small ones cover a specific area. Interesting to note that some importers are becoming processors due to the fact that customers expect at least basic preparation (such as portioning, cleaning, etc). Some large processors (canners, smokers) import frozen fish directly.

There are eight major fish markets - which also act as dispatching agents. In Italy there are over 1,000 companies registered as fish **wholesalers**. Of these 100 can also be considered importers and about 20 are shareholders in vessels operating in major fishing countries.

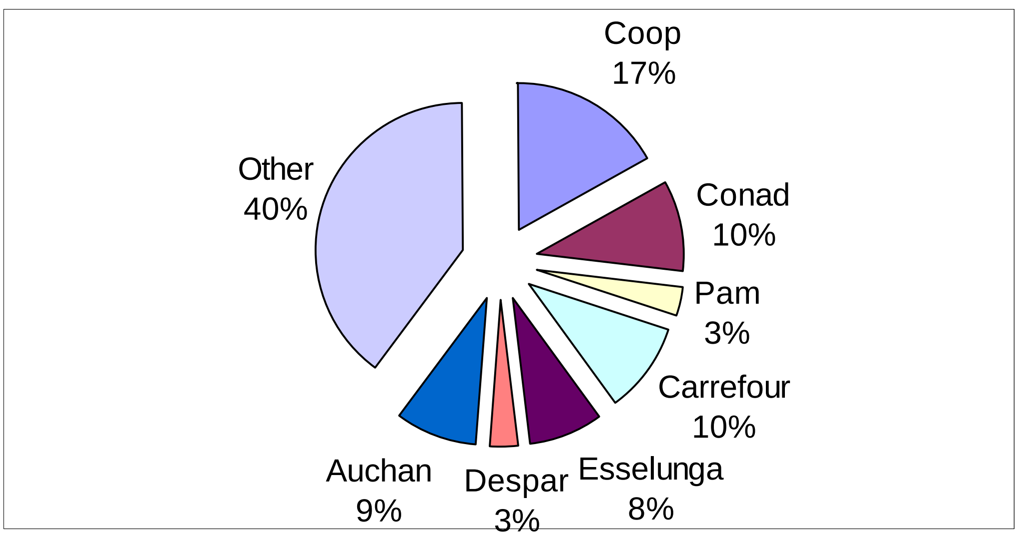
HRI sector usually buys fish and seafood products daily from the local wholesale market – mainly in large cities. Large wholesalers deliver fresh fish to customers situated far away from the market. Only major catering companies buy directly from major importers.

A number of **agents** (Italian and foreign) are also very active on the Italian market in providing their customers (wholesalers, industry processor and fish importers) with large quantities of fishery products. There are about 150 freezer centers located in Italy which have helped to increase the availability of frozen fish on the markets. Private networks of importers and wholesalers distribute more than 95 percent of all frozen fish products.

Retailers: The role of modern distribution is becoming more and more important in the distribution of fish products mainly in the North where the concentration of supermarket chains is much more important. Infrastructures are still not adequate in the South but there are signs of improvements. The presence of large national and international chains are penalizing small retailers and local fish shop although their presence is still important in smaller cities where they provide high level of personalized services. However the trend is in favor of the organized distribution (Super, Hypermarkets) where the number fresh/wet stands is constantly increasing and these stands can in general provide the same services of the fishmongers (cleaning, cutting, filleting and various preparation for special tradition local cuisine). Sales through super and hypermarkets are more cost efficient than through small shops and the reduced costs have in large part been passed on to consumer as lower prices.

Only large modern distribution chains (with central buying office) import large volumes of some seafood (mainly frozen) directly. Small and medium distribution chains buy from the importer. Retailers expect deliveries to be made in the stores and they expect a good price, constant quality and sure deliveries. The frozen fish products are usually received in consumer-ready packages including value added products.

Table: Market Share of Leading Italian Retailers



Source AGRA, Rome

Notes: The French Auchan bought (La Rinascente and GS) from Carrefour

The modern distribution chains in the graph are the ones with national presence. Other important chains are: A&O Select, Billa, Colmark, Crai, Continente, Euromercato, Il Gigante, Iper and Metro.

HRI Sector: The total HRI sector reached a turnover of 52 billion Euros in 2002. The number of meals in the HRI sector was over 6 millions, 70 percent in the commercial traditional restaurants (hotels, traditional restaurant, pizzerias, bars etc) and 30% in the institutional cafeterias/restaurants. Almost 60 percent of the catering turnover derived from food consumption, the balance being covered by other non food services.

The catering sector is the largest outlet for fish consumption in Italy. Restaurants are the favorite place for eating seafood. Consumption of fish is predominantly considered as an out-of-the-home event.

The restaurant sector, which has a strong preference for fresh products, usually buys fish and seafood from the wholesale market, while the catering sectors buy directly from importers.

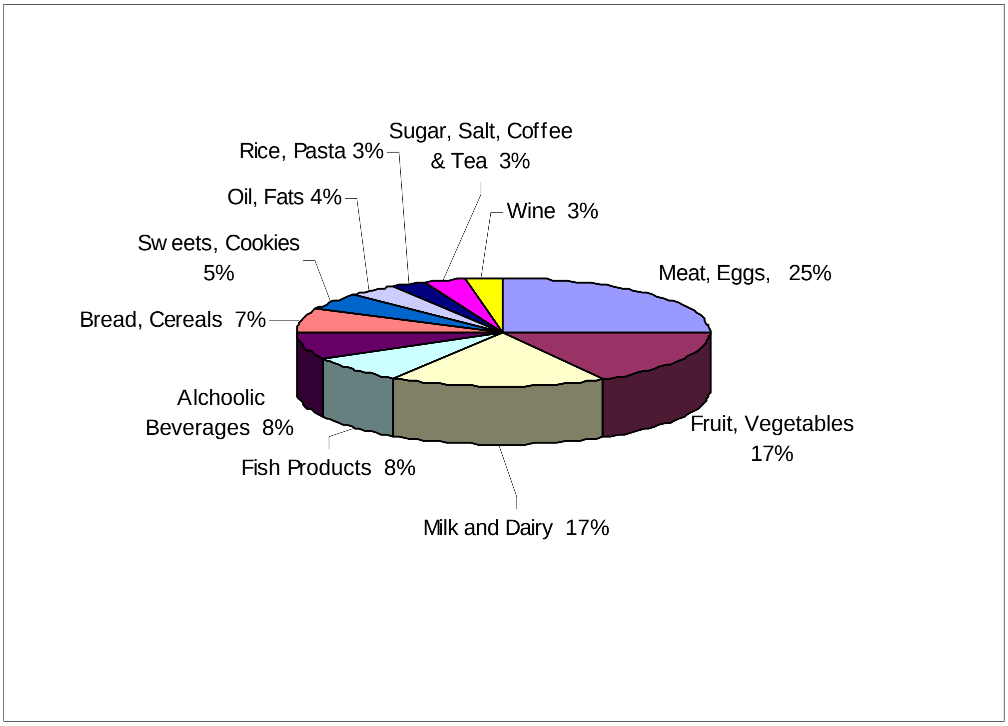
Consumption of fish products in the commercial catering will be covered under the consumption section.

CONSUMPTION

Household Food Consumption

During 2002 the total household consumption for food products was estimated at 41.42 billion US $ or -0.7 compared to the previous year. Retail prices for overall food products were up 3.6 % (according to ISTAT) and this was the major factor that penalized food consumption in general.

Table: Household Food Consumption



Source: AC Nielsen

Household Fish Products Consumption

In regard to the fish sector consumption during 2002 followed the same negative trend and registered a drop of 10.1% in quantity, reaching 405,632 MT and a-3.5% in value (€). The better performance for the value is to be attributed to the average increase of product prices and this was also the main factor for the decrease in volume consumption. Consumption decreases were registered in all sector as specified in the below table. Only one third of their 23 Kg (2001) per capita is consumed domestically while the remaining is being consumed in the HRI sector. The per capita household consumption was estimated at 7Kg.

Italian families are primarily fresh fish consumers; however, processed, time saving and convenience seafood products are encountering more and more interest by consumers; sales of these products were more stable than overall fish purchases.

Consumers seemed to positively react to fish in-store promotions at retail outlets but mainly for the reduced price offered.

Italian consumers demand top-quality seafood products; product presentation and packaging play an important role. Also for fish purchases the consumer looks for recognizable, natural and fresh products. Although Italian consumers are indeed willing to pay the price for products perceived as being of good quality and healthy – the middle class consumer is now putting more emphasis on good quality but at reasonable prices. The general economic climate in the country is showing effects also on fish purchases.

Consumer preferences in Northern Italy are different from those of the South. In the North the typical consumer looks for convenience and value added fish products while in the South the consumer looks more to fresh, whole, seafood. The Italian consumer in the South is more conservative in the species purchased but both the Northern and Southern consumers are both very traditional in the ways of cooking fish. Each region will prefer species that are traditionally known and produced there. Around the Northern lakes, perch, trout, sea bass and similar varieties are very popular; along the 8000Km coast fish is preferred grilled, while inland areas would prefer fried or boiled.

Table: Household Purchases of Seafood, CY 2001 and CY 2002(*)

PRODUCTS	Quantity (MT) CY 2001	Quantity (MT) CY 2002	Value (Million USD) CY2002
Fresh and Defrosted:			
Marine Fish	131,166	115,357	934
Freshwater fish	30,183	26,985	197
Mollusks	67,615	51,352	279
Crustaceans	12,161	11,520	137
Processed, Breaded	2,737	2,387	40
Processed, other	3,203	3,356	53
Total Fresh & Defrosted	**247,065**	**210,952**	**1640**
Frozen / Not Prepackaged:			
Natural	34,330	31,170	201
Prepared	5,428	4,344	24
Total Frozen/not prepackaged	**39,758**	**35,514**	**225**
Frozen, Packaged:			
Natural	34,119	34,628	338
Prepared	24,014	22,985	209
Total Frozen, Packaged	**58,133**	**57,613**	**547**
Total Canned, Preserved Fish	**88,227**	**82,558**	**652**
Total Cured, Dried, Smoked	**18,072**	**16,201**	**190**
Other		**2,789**	**66**
GRAND TOTAL	**451,255**	**405,632**	**3320**
Exchange Rate 2002 1 $ = 1.06 €			
Source: Ismea- Nielsen, AgOffice			
* See Detailed Tables Below			

Table: Household Purchases of Fresh & Defrosted Seafood – Marine Fish, 2002

Products	Quantity MT	Value (000 USD)	Average Price US $ / Kg. (2001)
Anchovy	14,911	72,150	4.8
Grey Mullet	2,338	12,220	5.2
Grouper	2,610	29,279	11.2
Dentex	764	8,015	10.5
Fried Mixed Fish	4,966	37,710	7.6
Cod	7,862	71,125	9.1
Hake	1,364	12,256	9.0
Sea bass	10,803	86,776	8.0
Gilt head Bream	16,152	113,142	7.0
Smooth Hound	2,229	24,014	10.8
Swordfish	5,170	82,382	15.9
Monk Tail	1,436	21,508	15.0
Pilchard	5,054	17,675	3.5
Mackerel	5,017	25,157	5.0
Sole	5,340	73,600	13.8
Mullet	4,452	37,374	8.4
Mixed Fish	3,209	28,528	8.9
Other Seafood	21,680	181,125	8.4
Total	**115,357**	**934,036**	**8.1**

Exchange Rate 2002 1 $ = 1.06 €
Source, AC Nielsen, Ismea

Table: Household Purchases of Fresh Water Fish 2002

Products	Quantity MT	Value (000 USD)	Average Price U.S. $ / Kg. (2002)
Salmon Trout	10,302	64,992	6.3
Trout	4,743	22,517	4.8
Salmon	6,393	51,510	8.1
Perch	3,747	39,922	10.7
Eels	1,148	12,756	11.1
Other fresh water fish	652	5,225	8.0
Total	**26,985**	**196,922**	**7.3**

Exchange Rate 2002 1 $ = 1.06 €
Source, AC Nielsen, Ismea

Table: Household Purchases of Mollusks, 2002

Products	Quantity MT	Value (000 USD)	Average Price US $ / Kg. (2002)
Scallops	255	2,760	10.8
Mussels	19,972	40,642	2.0
Oysters	723	3,992	5.5
Clams	6,319	54,857	8.7
Other bivalves	1,424	9,621	6.8
Squid	7,444	54,944	7.4
Octopus	8,203	59,389	7.2
Cuttlefish	6,035	45,434	7.5
Other Cephalopods	977	7,387	7.6
Total	**51,352**	**279,026**	**5.4**

Exchange Rate 2002 1 $ = 1.06 €
Source, AC Nielsen, Ismea

Table: Household Purchases of Fresh and Defrosted Crustaceans, 2002

Products	Quantity MT	Value (000 USD)	Average Price U.S $ / Kg. (2002)
Prawns	5,233	67,557	12.9
Shrimps	2,788	31,403	11.3
Norway Lobsters	1,174	15,028	12.8
Squill	1,016	7,246	7.1
Crab	224	1,926	8.6
Lobster	305	6,651	21.8
Spiny Crab	53	345	6.5
Spiny Lobster	116	2,612	22.5
Other crustaceans	611	4,651	7.6
Total	**11,520**	**137,419**	**11.9**

Exchange Rate 2002 1 $ = 1.06 €
Source, AC Nielsen, Ismea

Table: Household Purchases of Frozen and Deep Frozen Products, 2002

Products	Quantity MT	Value (000 USD)	Average Price U.S $ / Kg. (2002)
Unpackaged Products:			
Natural	31,170	200,811	6.4
Prepared, Processed	4,344	24,472	5.6
Total Unpackaged	**35,514**	**225,283**	**6.3**
Packaged Products:			
Natural:			
- Sole, Fillets	3,540	43,783	12.4
- Cod, Fillets	8,919	90,706	10.2
- Other fillets	1,596	20,208	12.7
- Mollusks	16,292	153,519	9.4
- Others	4,281	29,226	6.8
Total Natural	**34,628**	**337,442**	**9.7**
Prepared, Processed:			
- Fish fingers	11,073	82,075	7.4
- Sole Fillets, breaded	957	13,311	13.9
- Cod Fillets, breaded	2,187	22,566	10.3
- Other Fillets, breaded	478	5,057	10.6
- Other prepared	8,290	86,217	10.4
Total Processed	**22,985**	**209,226**	**9.1**
Total Packaged	**57,613**	**546,668**	**9.5**
GRAND TOTAL	93,127	771,951	8.3

Exchange Rate 2002 1 $ = 1.06 €
Source, AC Nielsen, Ismea

Table: Household Purchases of Canned Fish Producrts, 2002

Products	Quantity MT	Value (000 USD)	Average Price US $ / Kg. (2002)
Tuna, Natural	7,246	48,109	6.6
Tuna, in Oil	63,460	463,938	7.3
Crab Meat	134	2,825	21.1
Salmon, Natural	449	6,389	14.2
Salmon, In Oil	599	10,176	17.0
Mackerel, Natural	779	3,797	4.9
Mackerel, In Oil	2,793	25,808	9.2
Clams, Natural	1,190	10,734	9.0
Sardine, Pilchard	1,242	8,044	6.5
Anchovy	2,669	51,435	19.3
Other canned fish	1,997	20,431	10.2
Total	**82,558**	**651,686**	**7.9**

Exchange Rate 2002 1 $ = 1.06 € Source, AC Nielsen, Ismea

Table: Household Purchases of Cured, Dried and Smoked Fish Products, 2002

Products	Quantity MT	Value (000 USD)	Average Price US $ / Kg. (2002)
Smoked Salmon	1,190	23,860	20.1
Dried Cod	7,639	75,652	9.9
Stockfish	1,552	21,477	13.8
Others	5,820	68,732	11.8
Total	**16,201**	**189,721**	11.7

Exchange Rate 2002 1 $ = 1.06 €
Source, AC Nielsen, Ismea

Commercial Catering Sector: Consumption of Fish Products

The Italian hotel, restaurants and institution (HRI) catering sector plays an important role in food consumption. Restaurants are the primary location for seafood consumption.

Tables indicated in this section refer to fish consumption in the Commercial Cater (restaurants) which are divided in the following groups:

	Number
High Level Restaurants	5,032
Other Restaurants	29,534
Trattorie/Tavern Inns	12,464
Pizzerie/Delicatessen Shops	23,458
Hotels/Guesthouse	32,195
Total	102,683

Fish consumption in mass, institutional caterers (Company canteens, Schools, Health/Hospital and Rest homes, and other segments such as Armed forces, Prisons, Religious communities etc.) are not included in this section.

Restaurants are the primary location for seafood consumption.

The catering/HRI and deli sector is extremely important for US exports to Italy (lobsters, squid and wild salmon). Fresh and frozen salmon steaks are mainly served grilled in restaurants. Whole salmons are usually prepared for banqueting. A wide range of small and medium sized restaurants have found salmon more affordable and placed them on their menus while "five star" class restaurants have largely abandoned salmon since it no longer fits the exclusive image they want to convey.

Recent promotions and technical seminars targeting chefs and restaurant food managers have two messages first fresh wild salmon is available in Italy; second, it is a top quality product has favorable acceptance. Hopefully these promotions may stir the HRI sector to purchase wild frozen salmon which is available all year around.

Squid and cuttlefish have a high level of consumption throughout the country. However, there is a strong demand for all species in restaurants; above all, demand by food service groups is strong. The catering (food service) industry will continue to look for good quality squid. Consumption of squid increases during summer months in connection with Italian vacation period and higher tourism. Italian cuisine includes a wide range of uses for cephalopods. The Loligo vulgaris species is the preferred item by the caterers. Illex squid has been accepted slowly due to its tougher texture.

Most lobster imported from the U.S. is live and it is very popular in the catering sector due to its reasonable price. The high priced spiny lobster is still considered a luxury product with peak consumption taking place in upper-class restaurants on special occasions. When locally available, fresh spiny lobsters are in particularly high demand.

Table: Fish Consumption by Type of Resaturant

	Quantity		Value 000 US $	Price $/Kg
	M.T.	Percent		
High Level Restaurants	12,562	7	103,162	8.21
Other Restaurants	56,595	32	459,449	8.12
Trattoria, Inn	14,754	9	120,072	8.14
Pizza Rest./ Delicatessen Shops (Rotisserie)	35,307	21	248,214	7.03
Hotels / Guesthouse	52,779	31	417,445	7.91
	171,997	**100**	**1,348,342**	**7.84**

Table: Commercial Catereing Purchases by Type of Product (% Volume)

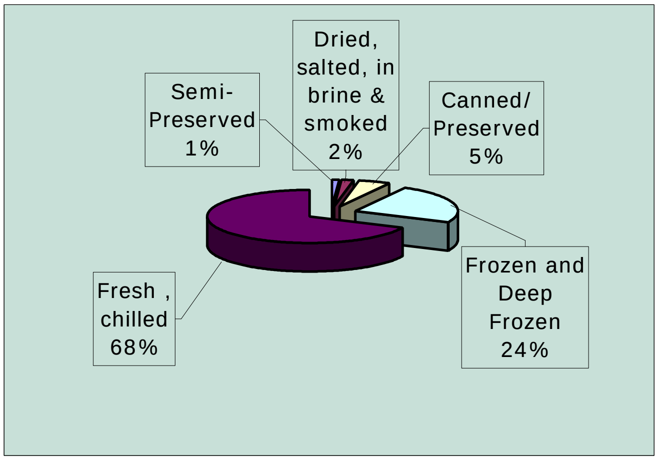


Table: Restaurant Purchases by Type of Fish Products (%)

Type of Fish Products	Volume (M.T).	Percent	$/Kg.
Fresh Fish:			
- Seafood	34,393	20.0	9.0
- Aquaculture Products	5,159	3.0	6.6
- Mollusks	63,523	37.0	5.7
- Crustaceans	15,754	9.2	14.8
Total Fresh Fish	118,829	69.2	7.9
Frozen and Deep Frozen	41,341	24.0	15.0
Preserved and Semi Preserved Fish	9,003	5.2	8.1
Dry, Salted and Smoked Products	2,824	1.6	16.3
Grand Total	**171,997**	**100.0**	**7.9**

Exchange Rate 2002 1 $ = 1.06 €
Source, AC Nielsen, Ismea

Table: Top 20 Fresh Products Purchases, Commercial Catering, 2002

Products	Quantity MT	Value (000 USD)	Average Price US $ / Kg. (2002)
Mussels	22,657	53,706	2.4
Clams	12,925	100,480	7.8
Squid	8,113	61,160	7.5
Gilthead Seas bream	7,255	55,022	7.6
Sea bass	7,141	59,340	8.3
Octopus	7,075	52,681	7.5
Cuttlefish	5,947	41,637	7.0
Other Marine fish	5,800	60,737	10.5
Pelagic Fish (pesce azzurro)	5,435	23,495	4.3
Prawns	5,406	78,744	14.6
Scampi, Norway Lobsters	4,079	70,531	17.3
Shrimps	3,396	38,845	11.4
Swordfish	3,014	42,680	14.2
Sole	2,957	34,089	11.5
Monk fish, Dentex, turbot	2,791	35,806	12.8
Other bivalves	2,553	22,150	8.7
Salmon	2,367	13,942	5.9
Oysters	2,003	12,685	6.3
Lobsters and spiny lobsters	1,385	31,594	22.8
Flying squid	1,137	8,033	7.1
Total top 20 products	113,436	897,357	7.9
Grand Total Fresh Seafood	**171,997**	**1,357,191**	**7.9**

Exchange Rate 2002 1 $ = 1.06 €
Source, AC Nielsen, Ismea

TRADE

Italy runs a significant trade deficit for fish and fish products. In 2002 it was close to 2.4 billion USD. Total Italian fish imports in 2002, according to ISTAT (Italian official Bureau of Statistics), was stable in quantity (-0.3), increased in Euro value (+ 0.7%) although this increase was 4.8% if the amount is converted in U.S Dollars - reaching an equivalent of $2.84 billion. The EU member states continue to be the favored source of Italian imports due to the improved coordination and harmonization of the regulations for quality control on imported fishery products. Spain continues to be the number one supplier of seafood to Italy, with 21.3 percent of volume in 2002 followed by France, Denmark, and Holland.

Spain mainly supplies mollusks and crustaceans (squid, mussels, flying squid and octopus), and fish preparations; other significant imports are made out of fresh and frozen fish. Tuna, mackerel, cod, hake, sole, flounders and others. France supplies mainly mollusks and crustaceans but also tuna for canning industry, soles, flounder and others.

With a reduction of stocks at European levels and the strict TAC (Total Allowable Catch) limits set by the CFP, Italy will be more dependent on imports from countries outside the EU. Argentina and Morocco confirmed their leading position as major third countries suppliers in 2002 in value. Argentina supplies mainly flying squid, shrimps and hake. Morocco increased exports to Italy by 14.5 % in $ currency ; this increase is to be attributed to higher average prices which has consequently penalized the exported volumes (-10.2%). Italy increased considerably imports from South Korea (+ 34% in value).

Imports cover a wide range of products, but over 50 percent of total imports is made up of tuna, cephalopods and shrimps. Although consumption of fresh seafood is very high, a high percentage of seafood imports are in frozen form.

Italy imported a record 37,777 MT of frozen hake during 2002. This figure confirms Italy as the second largest hake market in Europe after Spain. Italy's growth in frozen **hake** imports is based on a 20%+ increase in frozen fillet imports to 20 700 MT. Frozen whole and h+g imports, in contrast, increased by just 3% to 13 400 MT.

Italian fillet imports from Argentina increased from 4 700 MT to almost 8,000 MT and Argentina also increased sales of frozen (whole and h+g) hake to Italy with Italian imports up over 200% to 4 200 MT. The increase in Italian imports from Argentina has filled a gap left by imports of Peruvian hake which suffered from fishing restrictions on hake in 2002. Imports from other supplying countries, including South Africa, Spain, Namibia and Chile were relatively stable showing no significant change on 2001. A notable exception was Uruguay, Italian imports from which increased by almost 30% to over 4 000 MT.

The overall Italian increase in **mussel** imports has been boosted by more competitive prices. Spain is the leading supplier followed by Greece, which has made significant progress in mussel production. Italy also increased imports of processed mussels from Chile which became the leading supplier to the Italian market in volume terms followed by Turkey and Spain

Sea bream and sea bass prices were up in 2002 (+ 9%) and even higher during the first months of 2003. These increases did not appear to have significantly affected demand from Italian traders as volume imports of sea bass increased while imports of sea bream were more or less stable compared to last year. Turkey gained some market share at the expense of Greek suppliers.

Fresh farmed salmon imports from Norway and Chile have continued to flood the Italian market. Prices sank from month to month and this situation hit also the wild salmon.

Italian imports of salmon from the Atlantic are consumed fresh and smoked, while Pacific salmons are used mainly for smoking. Italian smokers have a preference for Pacific salmon. Its red color and strong taste is preferred over the softer, paler product from the Atlantic. The Italian market for smoked salmon should not be underestimated and European import figures do not reflect the real situation. Italy is the second most significant consumer in Europe of smoked salmon. This is confirmed by interviews released by European smokers which showed that given an import figure of 100 between 40 and 80 percent is being smoked and re-exported to Italy alone.

Supermarket chains have played an important role in the successful distribution of chilled salmon and farm raised salmon trout in recent years. Expansion of salmon demand and the growing involvement of these chains in chilled seafood sales are occurring simultaneously. Fresh salmon is not perceived as an exclusive product, as it is available at moderate prices all year around and always at consistent quality. Salmon is frequently included in supermarket promotional campaigns.

As previously stated the poor image of farmed salmon is somewhat hurting the wild salmon consumption. The HRI sector needs to be better informed on the characteristics and taste of the wild salmon. Frozen salmon needs also to improve distribution and availability at wholesalers'level. Promotions and technical seminars at the chefs and restaurant food managers' level could improve consumption of the product. During the current year few shipments of fresh salmon were favorably accepted by some restaurants and deli shops. Hopefully promotions of fresh wild salmon from Alaska may tow the more price competitive frozen salmon.

Table: Average price for Imported Products, CY 2001 and 2002

	2001	2002
Average price for EU fish products	4.23 Euro/Kg	4.24 Euro/Kg
Average price for Third Countries' fish products	3.89 Euro/Kg	3.88 Euro/Kg
Source ISTAT		

Table: Italian Fish Trade, 2002 by Category (in MT)

HS Code	Commodity	Import Quantity			Export Quantity		
		2001 MT	2002 MT	% Var. 02/01	2001 MT	2002 MT	% Var. 02/01
0301	Live Fish	2,820	3,726	32.1%	6,051	4,053	-33.0%
0302	Fish, Whole FR/CH	98,970	93,422	-5.6%	38,907	32,175	-17.3%
0303	Fish Frozen, Whole	115,220	111,376	-3.3%	15,277	16,119	5.5%
0304	Fish Fillets, Meat	74,335	76,107	2.4%	2,386	2,778	16.4%
0305	Fish Cured, Smoked	38,097	33,203	-12.8%	2,665	1,253	-53.0%
0506	Crustaceans	71,900	63,824	-11.2%	4,049	4,882	20.6%
0507	Mollusks	227,061	231,997	2.2%	37,028	25,821	-30.3%
1603	Fish sauces, extracts	323	356	10.3%	4,811	3,188	-33.7%
1604	Fish Prepared	136,596	147,019	7.6%	20,128	28,211	40.2%
1605	Crustaceans Prep.	14,492	16,118	11.2%	1,706	1,777	4.2%
Totals		**779,815**	**777,147**	-0.3%	**133,009**	**120,256**	-9.6%

Table: Italian Fish Trade, 2002 by Category (in Value)

HS Code	Commodity	Import Value			Export Value		
		2001 000 US $	2002 000 US $	% Var. 02/01	2001 000 US $	2002 000 US $	% Var. 02/01
0301	Live Fish	25,320	32,747	29.3%	24,143	13,963	-42.2%
0302	Fish, Whole FR/CH	423,083	432,811	2.3%	87,926	87,766	-0.2%
0303	Fish Frozen, Whole	253,751	230,064	-9.3%	26,211	29,021	10.7%
0304	Fish Fillets, Meat	280,760	302,723	7.8%	12,387	19,248	55.4%
0305	Fish Cured, Smoked	262,308	230,852	-12.0%	5,765	3,970	-31.1%
0506	Crustaceans	484,437	431,130	-11.0%	32,921	39,878	21.1%
0507	Mollusks	489,305	601,516	22.9%	98,071	95,571	-2.5%
1603	Fish sauces, extracts	2,460	1,774	-27.9%	6,678	5,358	-19.8%
1604	Fish Prepared	423,771	508,421	20.0%	85,850	117,119	36.4%
1605	Crustaceans Prep.	70,235	74,133	5.6%	10,973	11,893	8.4%
Totals		**2,715,427**	**2,846,171**	4.8%	**390,926**	**423,786**	8.4%

Table: Italian Fish Imports, 2002 by Country

Country of Origin	Total Imports		volume %
	M.T.	000 USD	
Spain	165,221	523,781	21.3%
France	54,969	202,357	7.1%
Netherlands	50,977	251,676	6.6%
Greece	38,287	114,883	4.9%
Denmark	36,086	272,001	4.6%
Germany	29,575	90,276	3.8%
U.K.	16,920	91,094	2.2%
Sweden	9,940	72,352	1.3%
Portugal	7,187	37,190	0.9%
Ireland	4,826	27,746	0.6%
Belgium	3,571	16,993	0.5%
Austria	752	2,266	0.1%
Luxemburg	9	307	0.0%
Finland	1	6	0.0%
TOTAL EU	418,320	1,702,928	53.8%
Thailand	34,201	83,195	4.4%
Argentina	33,463	108,861	4.3%
Ecuador	27,083	78,776	3.5%
Morocco	23,509	99,642	3.0%
Senegal	19,230	76,552	2.5%
Colombia	16,355	54,299	2.1%
South Africa	13,865	60,027	1.8%
Seychelles	12,005	28,323	1.5%
India	11,209	29,580	1.4%
Vietnam	11,018	19,938	1.4%
Mauritania	10,848	36,661	1.4%
South Korea	10,565	19,051	1.4%
Turkey	10,051	32,231	1.3%
Tunisia	9,694	41,990	1.2%
Ivory Coast	9,269	29,287	1.2%
Croatia	7,914	15,164	1.0%
USA	7,838	43,465	1.0%
Mexico	7,280	22,311	0.9%
Chile	6,663	19,139	0.9%
Peru	6,348	14,009	0.8%
Uruguay	5,959	22,326	0.8%
Malaysia	5,925	18,595	0.8%
Taiwan	5,312	8,604	0.7%
Namibia	5,081	18,480	0.7%
China	4,242	10,571	0.5%
Costa Rica	3,531	10,368	0.5%
Kenya	3,379	12,582	0.4%
Singapore	3,176	12,635	0.4%
Canada	2,607	14,923	0.3%
Others	31,208	101,662	4.0%

TOTAL THIRD COUNTRIES	358,827	1,143,243	46.2%
GRAND TOTAL	**777,147**	**2,846,171**	100.0%

Source: Ismea

Table: Italian Fish Trade with the U.S.

HS Code	Commodity	Import Quantity		Export Quantity	
		2001 MT	2002 MT	2001 MT	2002 MT
0301	Live Fish	39	9		
0302	Fish, Whole FR/CH	49	40	46	24
0303	Fish Frozen, Whole	2,847	1,871	0	1
0304	Fish Fillets, Meat	664	815	0	0
0305	Fish Cured, Smoked	1	0	120	102
0506	Crustaceans	2,436	2,549	0	0
0507	Mollusks	2,902	2,491	0	52
1603	Fish sauces, extracts			1	1
1604	Fish Prepared	777	48	385	452
1605	Crustaceans Prep.		15	76	99
Totals		**9,715**	**7,838**	**628**	**732**

HS Code	Commodity	Import Value		Export Value	
		2001 000 US $	2002 000 US $	2001 000 US $	2002 000 US $
0301	Live Fish	352	208	0	2
0302	Fish, Whole FR/CH	189	200	597	344
0303	Fish Frozen, Whole	6,784	4,694	7	22
0304	Fish Fillets, Meat	1,443	1,896	1	5
0305	Fish Cured, Smoked	18	1	241	193
0506	Crustaceans	29,135	31,332	0	3
0507	Mollusks	4,228	5,087	1	350
1603	Fish sauces, extracts	0	0	21	3
1604	Fish Prepared	2,542	218	2398	2915
1605	Crustaceans Prep.	0	28	254	379
Totals		**44,691**	**43,665**	**3520**	**4216**

Source: ISTAT
Exchange Rate: 2001 1$ = 1.12 €
2002 1$ = 1.06 €

During 2002 the US accounted for 1 percent of the total imported volume. Unfortunately, Italian imports from third countries, including from the US, very often reach Italy via other

EU countries in order to avoid strict and unnecessary inspection at the port of entry; therefore, official statistics do not offer a true picture of US exports to Italy. Live lobsters (mainly Homarus species) are the main products being imported from the U.S. followed by squid. US squid have been facing tough competition in recent years from other countries which enjoy duty free status and very low quotations.

In 2002 Italy imported $43 million in U.S. fish and seafood products. Surimi and fish eggs imports from the US increased in 2002 reached 1.11 and a record 2.2 Million USD respectively.

Preliminary data for 2003 indicates that US exports to Italy are stable.

Seafood Products with Potential Opportunities to Increase Market Share

- Any white fleshed edible fish variety
- Raw material for Italian canning and processing industry
- All frozen fillets such as hake, cod and plaice for the retail sector
- Frozen fillets for the catering sector.
- Fresh and frozen turbot which is highly valued and not always available in restaurant.
- Frozen Crustaceans for the catering sector
- Live Eels
- Roe & Urchin (Fish eggs)
- Crabs. The market for crab is still relatively modest
- King crab legs (IQF) of king crab.
- Surimi both frozen and processed.
- Frozen shark (steaks or fillets).
- Fresh /frozen Alaska salmon for the catering and deli sectors

General Factors Affectin U.S. Trade

The low catches in Italian and international waters and demand for fish products both at the consumer and processor levels will continue to stimulate Italian imports of fishery products.

Health and Sanitary Regulations

EU regulations require that imports of seafood and fish products must be inspected by the EU Food and Veterinary Office. There are two classifications of countries that export seafood products: The fully harmonized countries (those that have been inspected and whose health and safety standards are recognized and equivalent to EU) and the pre-listed countries (those whose standards are equivalent to those of the EU but have not yet been inspected by the EU). Countries such the U.S have provisional clearance to export to EU countries, however the EU reserves the right to carry out inspection visits to verify information and these products are subjects to additional national legislation. The EU and the US need to reach a final agreement by the end of 2003 in order not to suspend trade. U.S. exporters should be aware that Italian authorities impose strict quality control product specification, labeling, and certification requirements for fish products. The regulations are very complex, and exporters are strongly advised to seek information and practical advice on a case-by-case basis from experienced agents and importers.

Labeling Requirements

The product label must contain:

1. the commercial name of the species
2. the production method (farmed, or wild catch) and

3. the catch area.

In addition there are specific requirements for fresh and chilled products and frozen:

Fresh and Chilled Products

- Species,
- Country of Origin
- Presentation
- Freshness and size
- Net Weight in Kg.
- Date of grading and shipment
- Processors/Packer's name, address and FDA approval number

Frozen Products

- Species and the word "Frozen" or "Deep frozen"
- Country of Origin
- Presentation
- New Weight in Kg
- List of ingredients (except for fish only)
- Date of minimum durability
- "best before" date
- Special storage conditions
- Instruction for use
- Name and address of seller, importer in the EC
- Packer's FDA approved number

Lot number

Market Constraints

U.S. exports to the EU and consequently to Italy, are facing market constraints. Shipments are first required to be inspected and approved by FDA. Secondly are subject to strict sanitary inspection and control measures which may cause delay in getting the shipment out of customs. Member states may also impose additional control measures. This is one of the reasons why some imported products reach Italy via other EU countries.

Although the EU has issued tariff suspension for several seafood products needed for its processing industry, tariff suspensions are difficult to obtain and many suspensions are limited.

Another important constraint is the fact that the EU has stipulated many trade agreements, particularly with least-developed and developing countries and grant those countries much lower tariff rates than those granted to the US. Many of these countries are able to supply fish and seafood products at much lower costs while maintaining comparable quality.

Marketing Tools to Enter the Italian Market

Establish good relationship with key importers. In Italy there are few large importers and many small to medium sized ones. Large importers usually have national distribution and they know the market well. Most of large importers handle different products.

A way to meet importers is to participate in trade shows. Trade shows are also important for companies to maintain contact with existing buyers and distributors as well as finding new customers. The European Seafood Exposition in Brussels and the Rimini Seafood Exhibition are recommended trade shows. Many Italian companies visit the Brussels Show. Trade show is a very cost effective way to enter the market and meet various trade representatives.

Good contacts and relationship with importers should be maintained. It is recommended that marketing strategies in the country to be coordinated with importers and distributor since they are knowledgeable of the market.

HRI promotions are recommended for some fishery products i.e. new to market species or species that need to be valorized such as wild Alaska salmon. Again working with key and trendy Italian chefs is important.

In store promotions are not recommended unless Italian importer and/or the retail chains feel that they want to invest in this kind of promotion. These promotions in Italy are usually very costly and most of Italian consumers buy promotional fish products mainly for the promotional price.

In general, knowledge of foreign origin product is lacking at the consumer level, despite retailer claims of keeping product identity in front of clients.

Lobster PSD Table

PSD Table

Country Italy

Commodity Lobster

(MT)

	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [
Market Year Begin		01/2002		01/2003		01/2004
Beginning Stocks	50	50	50	50	50	50
Total Production	240	220	230	220	0	210
Intra-EC Imports	950	961	1000	970	0	1000
Other Imports	3950	3673	4000	3800	0	3800
TOTAL Imports	4900	4634	5000	4770	0	4800
TOTAL SUPPLY	5190	4904	5280	5040	50	5060
Intra-EC Exports	60	57	50	50	0	50
Other Exports	40	18	30	20	0	20
TOTAL Exports	100	75	80	70	0	70
Domestic Consumption	4940	4679	5050	4820	0	4840
Other Use/Loss	100	100	100	100	0	100
TOTAL Utilization	5040	4779	5150	4920	0	4940
Ending Stocks	50	50	50	50	0	50
TOTAL DISTRIBUTION	5190	4904	5280	5040	0	5060

Lobster Trade Matrixes

Import Trade Matrix

Country Italy

Commodit Lobster

Time Period	CY	Units:	MT
Imports for:	2001		**2002**
U.S.	2414	U.S.	2547
Others		Others	
Canada	1005	Canada	728
Spain	697	Spain	672
Ghana	148	South Africa	101
France	128	France	94
Ecuador	103	Ghana	82
South Africa	79	Ecuador	70
Cuba	60	U.K.	57
Denmark	60	Denmark	38
Australia	33	Belgium	33
India	32	Netherlands	30
Total for Others	2345		1905
Others not Liste	187		182
Grand Total	2532		2087

Export Matrix

Country Italy

Commodity Lobster

Time Period	CY	Units:	MT
Exports for:	2001		**2002**
U.S.	0	U.S.	0
Others		Others	
Greece	28	Greece	25
Czeck Rep.	17	France	15
France	7	Poland	10
Germany	6	Belgium	4
Slovenia	6	Slovenia	3
Tunisia	4	Spain	3
Ireland	4	Austria	3
Spain	4	Switzerland	3
Switzerland	3	Germany	2
Poland	3	Serbia	2
Total for Others	82		70
Others not Listed	6		5
Grand Total	88		75

Squid PSD Table

PSD Table

Country Italy

Commodity Squid/Cuttlefish (MT)

	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [	Estimate [I	DA Official [	Estimate [I	DA Official [	Estimate [I
Market Year Begin		01/2002		01/2003		01/2004
Beginning Stocks	7500	7500	7500	7500	7500	7500
Total Production	23900	23500	23900	23000	0	23000
Intra-EC Imports	41500	54011	45000	60000	0	65000
Other Imports	71000	79804	76550	80000	0	81000
TOTAL Imports	112500	133815	121550	140000	0	146000
TOTAL SUPPLY	143900	164815	152950	170500	7500	176500
Intra-EC Exports	2700	4158	3000	3500	0	4000
Other Exports	1100	1012	1100	1100	0	1000
TOTAL Exports	3800	5170	4100	4600	0	5000
Domestic Consumption	131350	150895	140100	157150	0	162750
Other Use/Loss	1250	1250	1250	1250	0	1250
TOTAL Utilization	132600	152145	141350	158400	0	164000
Ending Stocks	7500	7500	7500	7500	0	7500
TOTAL DISTRIBUTION	143900	164815	152950	170500	0	176500

Squid Trade Matrixes

Export Trade Matrix

Country Italy

Commodity Squid/Cuttlefish

Time Period	CY	Units:	MT
Exports for:	2001		**2002**
U.S.		U.S.	
Others		Others	
Spain	1702	Spain	1624
Germany	1138	Germany	992
Romania	289	Greece	892
Greece	268	France	309
Austria	215	Slovenia	259
France	184	Austria	219
Croatia	174	Croatia	200
Slovenia	173	Romania	143
Switzerland	143	Swizerland	104
Tunisia	96	Tunisia	90
Total for Others	4382		4832
Others not Listed	398		338
Grand Total	4780		5170

Import Trade Matrix

Country	Italy		
Commodit	Squid/Cuttlefish		
Time Period	CY	Units:	MT
Imports for:	2001		**2002**
U.S.	2899	U.S.	2488
Others		Others	
Spain	44126	Spain	38883
Thailand	20852	Thailand	25181
India	8859	France	10008
France	8334	India	6690
Peru	8223	South Africa	5074
China	4390	Vietnam	4989
Argentina	4083	Tunisia	4816
South Africa	3873	Peru	4497
Vietnam	3727	Senegal	3505
New Zealand	3647	Morocco	3060
Total for Others	110114		106703
Others not Liste	29935		27112
Grand Total	140049		133815

Fish Strategic Indicator Table

FISH 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	see next line	see next line	see next line	see next line
Being the U.S. not a fully harmonized country exports face more market constrains: health Inspections, labelling, etc.					
U.S. Access Relative to Rest of World - Tariffs	Higher, equal, or lower	see next line	see next line	see next line	see next line
EU has stipulated many trade agreements with developing countries and grant thos countries much lowe tariff rates than those granted to the US. Many of these countries are able to supply seafood products at much lower costs while maintaining comparable quality.					
Presence of Marketing Programs (domestic and 3rd country) versus U.S. programs	More aggressive, about the same, or less aggressive	more aggressive North European countries	more aggressive North European countries	more aggressive North European countries	more aggressive North European countries
U.S. Prices Relative to Domestic and 3rd Country Prices	Higher, equal, or lower	higher	higher	higher	higher
Prices from some third countries (for some products) are reportedly much lower					
U.S. Market Share (3 Year Average)	Percent (value)	over 1%	over 1%	over 1%	2%
Market Attractiveness	Measurement *	Previous Year Situation	Current Year Situation	Next Year Expectations	5 Year Projections/ Expectations
Per Capita Consumption of All Fishery Products	Kg per person	23	23	24	24
Per Capita Consumption of animal proteins (excluding fishery products)	Kg per person	80	80	85	85
Percent of population with refrigerators	Percent	99.9	99.9	99.9	99.9
Percent of fishery product sales at supermarkets	Percent	30	30	45	50
Percent includes canned cured and smoked.					
Percent of total food sales at supermarkets	Percent	69.8	71	75	80
Percent of animal protein sales at supermarkets (excluding fishery products)	Percent	75	78	78	80
Percent of fishery sales at HRI establishments	Percent	60	60	60	60
Percent of fishery sales at open markets	Percent	10	10	10	10