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Croatia

Seafood

Sardine Report

1998

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Report Highlights:

Croatian sardine catch declines

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Vienna [AU1], HR

On July 10, 1998, the Croatian Government decided to approve emergency financial support programs of about 27 million Croatian Kuna's directed to the seven Croatian fish processing factories. This decision was prompted by the fact the pelagic fish catch during the last four months has been described as the lowest in the last 20 years. This is even more alarming knowing that traditionally 75-80 percent of the total Croatian fish catch consists of pelagic fish, the rest being white fish and cephalopods.

The sardine (*Sardine pilchardus*) is considered the most important fish species for the Croatian fish canning industry. This is based on the fact that 80-85 percent of the total pelagic fish catch are sardines, and the fact that 80-85 percent of the Croatian fish canning industry is based on sardines. A decline in the sardine catch was first observed in 1996 (11,322 MT), which represents a huge drop from the 1987 sardine catch (34,858 MT).

	1987	1996	1997 (est.)	1998
Pelagic fish catch (MT)	41,000	11,322	10,200	10,000

Croatia has seven fish canning factories with a production capacity of 40,000 MT. Since their fish canning capacities are more than enough to cover the Croatian market, these companies are strongly export-orientated. Most of the canned sardines are exported to the ex-Yugoslav Republics and CEFTA countries.

	1996	1997	1998 (Jan-May)
Production of canned fish (MT)	14,778	13,512	5,200
	1996	1997	1998 (Jan-March)
Exports of canned fish (Million US \$)	22.1	22.8	6.3

The fact Croatia has well-developed fishing and fish canning subsectors is because the Adriatic coastline of the Republic of Croatia is 5,835 km long (about 8 percent of the total Mediterranean coast), and the Croatian national maritime zone encompasses 31,490 km.

A possible decline in the production of canned sardines could bring the closure of some existing Croatian fish canning facilities, leading to a growth in unemployment on Croatian Adriatic islands and prompting an exodus of the younger generation. This is exactly what the Croatian Government does not desire since one of its proclaimed goals (a "National Program for Rehabilitation and Development of Islands" has been formulated) is to repopulate and revitalise the Croatian Adriatic islands. This also would mean the downfall of one of the rare Croatian agricultural subsectors, that is export-oriented and has a positive trade balance.

In line with this goal, the Croatian Government subsidizes the Croatian fish canning industry in the following manner:

	1994	1995	1996	1997	1998
Subsidies for sardine cans (Million US \$)	1.7	3.9	4.7	4.8	5.4