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Poland

Product Brief

Seafood

2003

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Report Highlights:
With an expected annual increase of seafood retail sales in Poland, potential remains for U.S. companies to enter this market. The majority of imports are used as raw materials or for further processing. The U.S. share of Poland's imports increased considerably, mostly due to imports of frozen fish fillets.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Warsaw [PL1], PL

Table of Content:

Section I. Market Overview

The Polish seafood industry has undergone major restructuring over the past decade. Consolidation among firms is increasing with three firms controlling 75 percent of the market for processed seafood products. At the same time, demand has outpaced local production and the Polish seafood processing industry has become dependent on imports for raw materials. Norway is the leading supplier, contributing 40 percent of all seafood imports to Poland. However, with an expected annual increase in seafood retail sales in Poland, potential remains for U.S. companies to enter this market.

Advantages	Disadvantages
Polish seafood imports are expected to increase 10% annually.	Tariff reduction rates will favor EU countries at the expense of U.S. exporters.
The demand for U.S. raw materials (eg. herring and mackerel) will likely grow due to decreased domestic supply and increased demand potential.	Reductions in processing firms will result in fierce market competition.
Value-added products, (i.e. fish sticks) mostly made from herring fillets, could lead to higher growth for U.S. imports.	Poland’s per capita consumption rate for seafood is low; less than half the amount of its European counterparts

Section II. Market Sector Opportunities and Threats

Food Processing

1) Entry Strategy

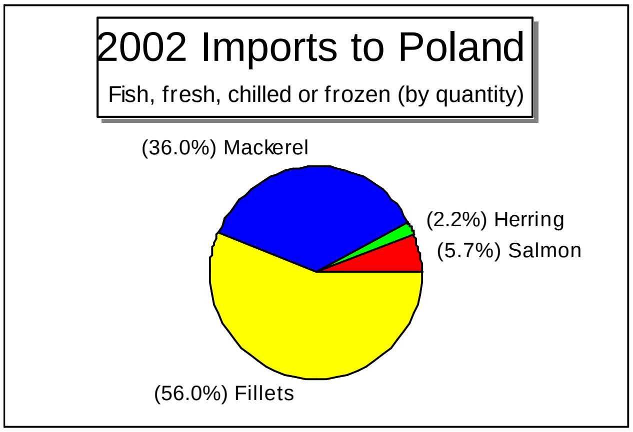
Entering the seafood market is best accomplished through POLFISH Trade Fair, one of the largest seafood exhibitions in Central Europe. Biannually held in Gdansk, the next POLFISH trade show is scheduled for 2005. In addition to participating in POLFISH, exporters of U.S. seafood products may obtain a list of current importers by contacting the Office of Agricultural Affairs of the U.S. Embassy in Warsaw (see Section V).

2) Market Size, Structure, Trends

Polish imports of seafood decreased in 2002, totaling 199,164 metric tons. The majority of imports are used as raw materials (chilled or frozen) or for further processing (fresh fish and fillets). The main species imported for both categories have consistently been herring and mackerel.

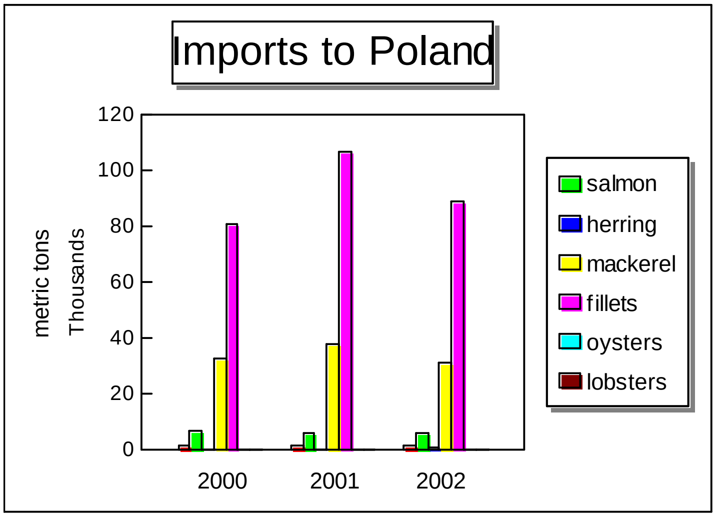
The 500 percent increase of the U.S. share of Poland’s imports is most evident in the frozen fish fillet category. Decreased catches of Alaska Pollock, traditionally preferred on Polish markets, has resulted in an increasing substitution of herring and hake fillets for processing. Consumption is expected to increase 0.5-0.75 kg per capita over the next five years which will equate to 18,000- 27,000 tons of additional demand. Imports for 2002 are highlighted in the following charts:

Figure I: Polish Seafood Imports, 2002
A.



Source: World Trade Atlas

B.

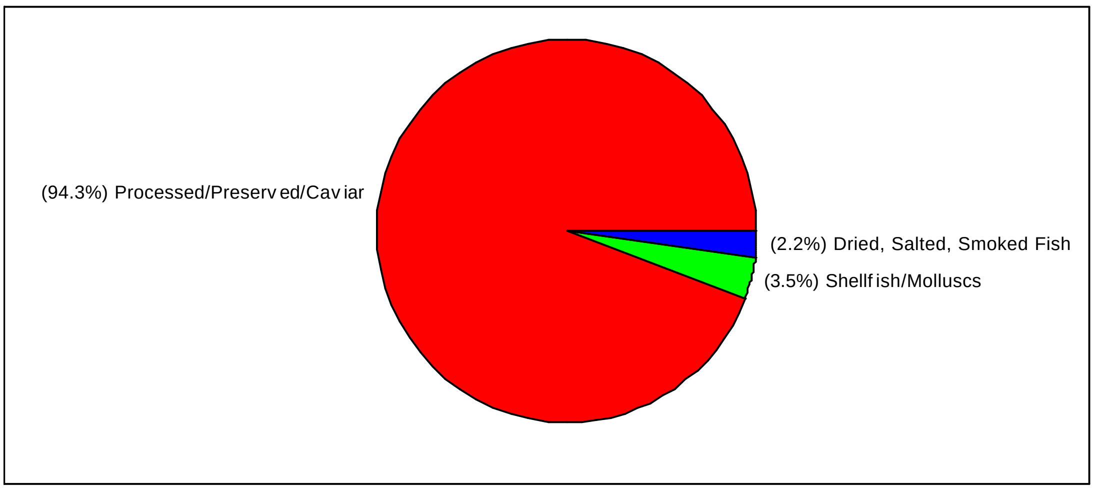


Source: World Trade Atlas

Figure II: Processed Seafood Exports, 2002

Source: World Trade Atlas

Figure III: Polish Seafood Exports, 2002



Source: World Trade Atlas

Table I: Polish Seafood Imports, 2000-2002

Year	2000	2001	2002
Whole Fish (in tons)	127,773	121,525	98,427
Fillets/Fish Meat (in tons)	120,087	112,668	96,078
Processed (in tons)	16,932	17,839	20,910
Total Imports (in tons)	254,485	239,367	199,164

Source: World Trade Atlas

Table II. Polish Seafood Exports, 2000-2002

Year	2000	2001	2002
Whole Fish (in tons)	260	21,184	16,199
Fillets/Fish Meat (in tons)	4,360	23,604	22,299
Processed (in tons)	38,117	44,506	40,795
Total Exports (in tons)	42,738	89,294	79,293

Source: United Nations Statistical Office & Polish Central Statistical Office

Table III: Polish Seafood Exports, 2002

CN Code	Product	Quantity Tons	$1000
0301,0302,0303	Live, Fresh/Chilled, Frozen	16883	16951
0304	Fish Fillets	22299	79217
0305	Dried, Salted, Smoked Fish	4197	25676
0306	Shellfish	454	1370
0307	Molluscs	322	1263
1604	Processed and Preserved Fish, Caviar	40795	88742
1605	Shellfish , Molluscs, Prepared or Preserved	1292	12803

Poland's 2002 catches represented 204,400 tons (1.4 percent lower than in 2001) and consisted mainly of sprat, herring and cod. There were no pollock or hake cought by Polish vessels in 2002. Poland currently derives 72 percent of its catches from the Baltic Sea, with the remaining 28 percent caught in the West Pacific, Antarctic, and East Atlantic waters.

Seafood is sold in more than 1,200 stores ranging from specialized stores to supermarkets and hypermarkets. The variety of processed fish products available in Polish hyper or supermarkets is greater than the selection in U.S. stores. The largest hypermarkets include a wide selection of live fish (in tanks) for purchase, resulting in a comparatively vast amount of store square footage dedicated solely to seafood sales. Seafood, especially fish, is sold fresh, frozen, and processed. There is also a niche market for oysters, which are imported to Poland in small quantities. The total current market is approximately 30-50 tons per year (weekly one company imports around 100 kg: 50 kg, i.e. 10 baskets of 2.5" and 50 kg, i.e. 5 baskets of 5"). The import duty is 30 percent on oysters (CN 0307.10.10/90) with a privileged 20% for European Union members. However, importers often declare oysters together with other molluscs and seafood to take advantage of lower tariffs (10 percent on octopus, loligo, cuttle-fish).

The primary exports from the United States to Poland are herring and mackerel. Recently, Polish companies have begun to import U.S. salmon for further processing and salmon products, valued at $230,000 annually. The Polish import market for high quality raw materials will remain due to continued decreasing domestic supplies and increasing demand potential in central and eastern European markets. With abundant port access and its central location, Poland is also a favorable transshipment point of raw materials destined for Central and Eastern European fish processing markets.

Table III. Selected Imports by Poland, 2002

Pacific, Atlantic, and Danube Salmon, Fresh or Chilled, 030212						
	2000		2001		2002	
Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000
Norway	4965	18153	7405	19315	11005	28849
Denmark	0	0	6	20	54	158
United Kingdom	3	11	5	17	5	19
World Total	5063	18527	7535	19770	11065	29032

Mackerel, Fresh or Chilled, 030264						
	2000		2001		2002	
Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000
Netherlands	22	13	0.735	1	0.412	1
France	0.677	2	0.456	1	0.078	0.344
Norway	0.1	0.171	0	0	0.1	0.209
World Total	63	38	17	13	0.59	2

Herrings, Fresh or Chilled, 030240						
	2000		2001		2002	
Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000
Sweden	0	0	1123	400	2030	851
France	0.001	0.001	144	47	36	12
Netherlands	0.08	0.172	0	0	0.009	0.077
World Total	168	69	1291	462	2065	864

Pacific Salmon, Frozen, 030310						
	2000		2001		2002	
Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000
Canada	15	31	14	17	0	0
Denmark	5	13	0.2	0.595	0	0
United States	389	247	83	120	0	0
World Total	494	628	175	233	0	0

Atlantic Salmon, Frozen, 030322						
	2000		2001		2002	
Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000
Norway	336	1180	240	619	253	578
Chile	0	0	20	39	52	110
United States	2	5	19	23	22	91
World Total	350	1218	279	681	358	823

Mackerel, Frozen, 030374						
	2000		2001		2002	
Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000
Norway	38470	28413	33044	29830	21631	20794
Netherlands	4156	2710	5413	4169	8633	7385
Ireland	1206	805	1153	966	1079	937
World Total	45430	32957	43285	37766	33910	31232

Fish Fillets and Other Meats, Fresh or Chilled, 030410						
	2000		2001		2002	
Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000
Denmark	2420	1360	2824	2991	2314	2182
Ireland	795	481	214	216	240	231
United States	0.036	0.517	0	0	0	0
World Total	4240	2719	3278	3686	2747	2966

Fish Fillets, Frozen, 030420						
	2000		2001		2002	
Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000
China	18190	28992	18975	36196	15635	29946
Norway	15306	11838	14772	20213	9816	13736
United States	0	0	371	740	1999	3886
World Total	54333	77686	58007	103110	50080	85715

Oysters, In Shell or Not, Live, Fresh, Chilled, Frozen, Dried, Salted, or in Brine, 030710						
	2000		2001		2002	
Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000
France	5	18	3	15	5	21
Netherlands	1	14	2	15	2	18
Italy	0	0	0.291	0.088	0.705	0.135
World Total	6	32	6	34	7	40

Lobsters, Including in Shell, Cooked, Frozen, 030612						
	2000		2001		2002	
Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	USD $1,000
Canada	1	20	2	23	2	23
Italy	0	0	0	0	0.016	0.188
United States	0	0	0.03	0.02	0	0
World Total	2	22	2	30	2	24

Source: World Trade Atlas

Section III. Costs and Prices

One of the factors playing a significant role in competition among Poland's fish imports is the existing import regime. A large portion of Poland's fish imports originate from Norway which, as a member of the EFTA (European Free Trade Agreement), is subject to much lower import tariffs than the general tariff for WTO members, which applies to the United States. WTO members are subject to import tariffs of 5-20 percent for fish and fish products exported to Poland, while Norway enjoys duty free status.

Once Poland joins the EU (May 1, 2004), there will be a greater potential for U.S. exports. Currently, Norway, Liechtenstein and Iceland export to Poland duty free. After the accession, duties will increase to those of the EU for these countries. This will cause prices to rise for processors and consumers, making U.S. products more competitive on the market. Also, the weakening exchange rate of the dollar makes U.S. products more attractive to consumers.

Due to the EFTA, fish imports from Norway account for approximately 40 percent of total imports. However, Poland's seafood market access will experience drastic changes upon EU accession, with a great potential access for U.S. exports. An agreement between Poland and the EU on liberalization of fish and fish products trade was made in January 2002. According to the agreement, tariffs will be reduced successively by 1/3 every year until they reach zero percent. Since August 1, 2002, the tariffs on all EU seafood imports have been reduced twice by 1/3, with the exception of herring, which acquired only a 30 percent reduction. These changes will eventually result in EU member full trade liberalization by May 1, 2004. These changes will give EU members an advantage, especially the Netherlands, which currently leads EU exporters, and will be unfavorable to U.S. products, but will act as preparation for the changes occurring with Poland's complete accession to the European Union.

As a part of EU negotiations, Poland committed to follow the Common Fishery Policy and withdrew a requested 5-year transition period barring access to Polish coastal zones for large foreign ships (over 30m long). In exchange, the EU confirmed that after 2004, catching limits for Polish fishermen will be increased, and agreed to recognize sprat and Baltic herring as consumption fish and include them in the intervention purchase system.

From 2004-2008, the EU will spend 180 million Euros to modernize the Polish catching fleet and on subsidies to fishermen to end their activities. Some integration transition activities in the fishery sector and fish processing can already be financed out of the EU SAPARD-PHARE funds. Prior to using these funds, Poland must create a ship register and equip all ships with SPS systems.

Apart from financial help, Polish fishermen will receive larger access to EU markets. In addition, industry development should be stimulated by the lack of tariffs, quotas, and other barriers.
In 2003, the EU processing sector introduced HACCP; currently only 54 (17 percent) Polish fish processing factories meet EU sanitary requirements.

Table IV. Current Tariff for Selected Seafood Products

CN Code	Name of product	WTO**	EU Effective July 22, 2003	DEV	LDC	EFTA	Czech Romania Hungary Lithuania Latvia	EU External Duty Rate***
Frozen Fish								
03035000	Herring****							
030350001	Jan.1- Feb.14	5*	2	3.5	0	0	0	15
030350005	Feb 15-June 15	5	2	3.5	0	0	0	15
030350003	Mar.1-June.15 Baltic Herring Only	15	6	10.5	0	0	0	15
030350007	June.16-Sep.30 Baltic Herring Only	15	6	10.5	0	0	0	15
030350009	Oct.1-Dec.31	5	2	3.5	0	0	0	15
030374	Mackerel							20
030374301	Jan.1-Feb.14	20	7	14	0	0	0	20
030374305	Feb.15-June 15	10	3	7	0	0	0	20
030374309	June 16-Dec.31	20	7	14	0	0	0	20
030372000	Haddock	15	5	10.5	0	0	0	7.5
030379110	Carp	10	5	7	0	0	0	8
0303110010	**Salmon, headless**** **	10	3	7	0	0	0	2
0303110090	**Salmon, other**	10	3	7	0	0	0	2
03037955	Alaska Pollack	15	5	10.5	0	0	0	15

* All duties in percent
** WTO applies to products originating from the U.S.
*** EU External Duty Rate is duty charged to US products after Poland accedes to the EU
**** Quota/Tariff Specific
-Herring: Tariff quota of 0%
End Date: February 2004

-Salmon, headless, for manufacturing of pastes/spreads: Tariff suspension of 0%

WTO - WTO Member
EU-European Union
DEV - Developing Countries
LDC - Less Developed Countries
EFTA - European Free Trade Agreement - Iceland, Liechtenstein, Norway, Switzerland

CN Code	Name of product	WTO**	EU Effective July 22, 2003	DEV	LDC	EFTA	Czech Romania Lithuania Hungary Latvia	EU External Duty Rate***
Fish Fillets								
030410970	Herring****	10*	4	7	0	0	0	15
030420510	Mackerel	15	5	10.5	0	0	0	15
030420330	Haddock	15	5	10.5	0	0	0	7.5
030410130	Salmon	5	3	3.5	0	0	0	2
030420550	Hake	15	5	10.5	0	0	0	7.5
0304208510	Alaska Pollack, industrial blocks for processing****	10	3	7	0	0	0	15
0304208590	Alaska Pollack, other	10	3	7	0	0	0	15
16042005	Surimi	35	12	0	0	0	0	20

* All duties in percent
** WTO applies to products originating from the U.S.
*** EU External Duty Rate is duty charged to US products after Poland accedes to the EU
**** Tariff/Quota Specific

-Herring flaps, exceeding 80g: if import price is > 500 EUR/1000kg, duty is 0%,
End Date: February 2004 if import price is > 0 EUR/1000kg, measure not applicable,

-Herring flaps, other: 0%
End Date: February 2004

-Alaska Pollack, w/bones: if import price is > 1148 EUR/1000kg, duty is 0%
if import price is > 0 EUR/1000kg, measure not applicable
-Alaska Pollack, boneless: if import price is > 1324 EUR/1000kg, duty is 0%
if import price is > 0 EUR/1000kg, measure not applicable
-Alaska Pollack, other: 0%

WTO - WTO Member
EU - European Union
DEV - Developing Countries
LDC - Less Developed Countries
EFTA - European Free Trade Agreement - Iceland, Liechtenstein, Norway, Switzerland

Section IV. Market Access

All fish shipments to Poland must be accompanied by a health certificate issued by a government-approved veterinarian from the exporting country. Packed for retail products also must bear a label in the Polish language with the date of production clearly stated. Suppliers should check with Polish importers regarding standards.

Poland has a set of quality standards published as Polish Norms. Each norm designated by a number and is available in the Central Library of Norms in Warsaw. The same norms are set for storage conditions of fish and fish products and validity of the products depending on conditions and temperature of storage.

For a current list of guidelines regarding seafood exports to Poland, contact the USDA, FDA, and Department of Commerce.

Section V. Key Contacts and Further Information

POLFISH Trade Fair
Ms. Anna Lasocinska
International Gdansk Fair
ul. Beniowskiego 5
80-382 Gdansk
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For more information concerning market entry and a current importer list contact:

Embassy of the United States of America
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Previous reports on fish and seafood:
GAIN Report # PL 8032- Poland: Fish Market
GAIN Report # PL 1027- Poland: Seafood Products
GAIN Report # PL 2032- Poland: Seafood