Foreign Agricultural Service
*GAIN* Report
Global Agriculture Information Network

Voluntary Report - public distribution

Date: 10/25/2002

GAIN Report #PL2032

# Poland

# Product Brief

# Seafood

# 2002

Approved by:
**Wayne Molstad, Agricultural Counselor**
**U.S. Embassy**
Prepared by:
Natalia Koniuszewska, Agricultural Specialist
Michelle Gregory, Agricultural Intern

**Report Highlights:**
**Polish seafood imports are increasing 10 percent annually and overall seafood consumption continues to rise. Poland’s EU accession will result in changing seafood import duties as some rise and some fall compared to current Polish rates. Overall prospects for U.S. seafood exports to Poland should increase as Poland’s currently sluggish economy is expected to be invigorated by EU accession.**

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

## 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% 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 70% of all raw materials. 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. importers. |
| 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***

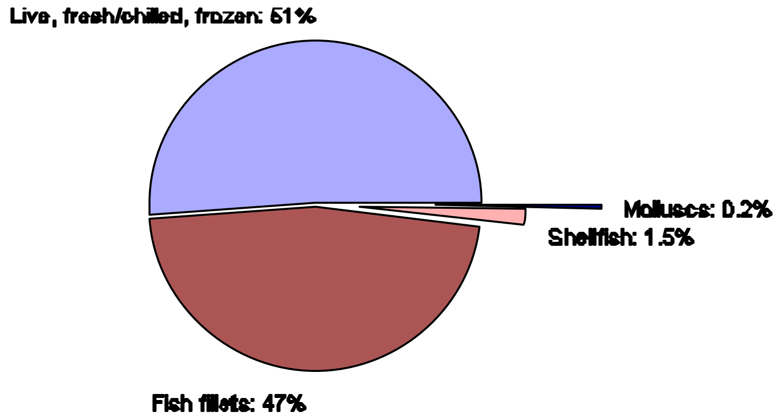
Entering the seafood market is best accomplished through POLFISH Trade Fair, one of the largest seafood exhibitions in Central Europe. Biannually held in Gdansk, the next POLFISH trade show is scheduled for June 2003. In addition to participating in POLFISH, exporters of U.S. seafood prodcuts may obtain 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 have been increasing, totaling 257,763 tons in 2001 with a value of $355 million. The majority of imports are for raw materials (chilled or frozen) or fresh fish and fillets for further processing. The main species imported for both categories has consistently been herring and mackerel.

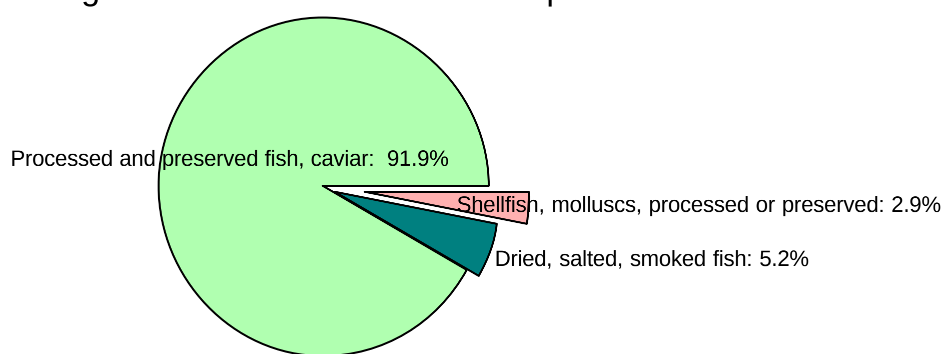
The growth in the U.S. share of Poland's imports is most evident in the frozen fish fillet category. Decreased catches of Alaska Pollock, traditionally preferred on Polish markets, has resulted in an increasing substitution of herring and hake fillets for processing. Consumption is expected to increase 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 2001 are highlighted in the following pie charts:

Figure I. Fresh Seafood Imports 2001



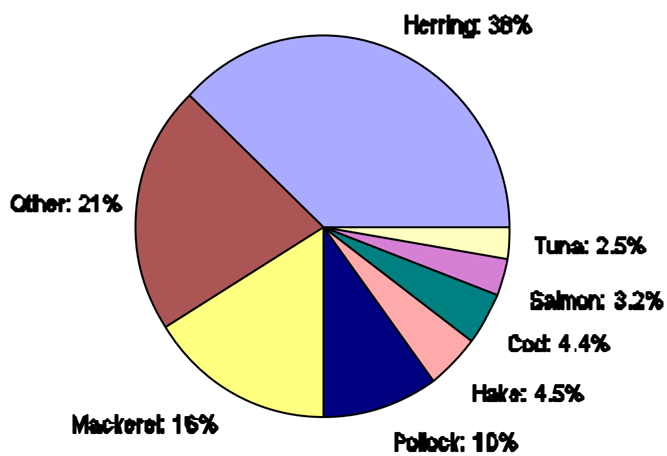

Source: Polish Central Statistical Office

Figure II. Processed Seafood Imports 2001




Source: Polish Central Statistical Office

Figure III. Polish Import Types 2001




Source: Institute of Fishery

**Table I. Polish**

**Seafood Imports 1999-2001**

| Year | 1999 | 2000 | 2001 |
|---|---|---|---|
| Whole Fish (*in tons)* | 125,097 | 127,773 | 121,525 |
| Fillets/Fish Meat (*in tons)* | 100,772 | 120,087 | 112,668 |
| Processed *(in tons)* | 14,569 | 19,593 | 19,406 |
| Total Imports *(in tons)* | 233,386 | 267,453 | 257,763 |

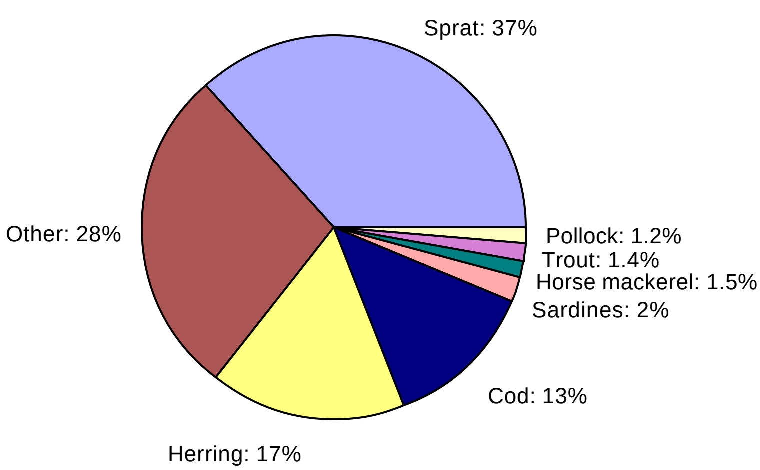
Source: United Nations Statistical Office & Polish Central Statistical Office

**Table II. Polish Seafood Exports, 1999-2001**

| Year | 1999 | 2000 | 2001 |
|---|---|---|---|
| Whole Fish (*in tons)* | 24,012 | 260 | 21,184 |
| Fillets/Fish Meat (*in tons)* | 21,384 | 4,360 | 23,604 |
| Processed *(in tons)* | 4,037 | 38,117 | 44,506 |
| Total Exports *(in tons)* | 51,774 | 42,738 | 89,294 |

Source: United Nations Statistical Office & Polish Central Statistical Office

Figure IV. Polish Export Types 2001



Poland's highest catches and production are of sprat, herring, cod, and pollock. Poland currently derives 75% of its catches from the Baltic Sea, with the remaining 25% 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% on oysters (CN 0307.10.10/90) with no privileges for European Union members. However, importers often declare oysters together with other molluscs and seafood to take advantage of lower tariffs (10% 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, 2001**

| H.S. Number | Category | Country | Weight (in tons) | USD (in $1000) |
|---|---|---|---|---|
| 030212 | Salmon, fresh/chilled, whole | Norway | 7,405 | 19,315 |
| | | Faroe Islands | 81 | 289 |
| | | Germany | 37 | 125 |
| | | Denmark | 6 | 20 |
| | | Great Britain | 5 | 17 |
| | | TOTAL | 7,535 | 19,770 |

| | | | | |
|---|---|---|---|---|
| 030240 | Herring, fresh/chilled, whole | Sweden | 1123 | 400 |
| | | France | 144 | 47 |
| | | Norway | 19 | 11 |
| | | Denmark | 5 | 4 |
| | | TOTAL | 1291 | 462 |
| 030264 | Mackerel, fresh/chilled, whole | Denmark | 156 | 10 |
| | | Netherlands | 0.7 | 1 |
| | | France | 0.5 | 1 |

| | | | | |
|---|---|---|---|---|
| 030310 | Salmon, Pacific, frozen, whole | United States | 83 | 120 |
| | | Russia | 78 | 94 |
| | | Canada | 14 | 17 |
| | | Norway | 0.4 | 1 |
| | | Denmark | 0.2 | 0.6 |
| | | TOTAL | 175 | 232 |

| | | | | |
|---|---|---|---|---|
| 030322 | Salmon, Atlantic/Danube, frozen, whole | Norway | 240 | 619 |
| | | Chile | 20 | 39 |
| | | United States | 19 | 23 |

| | | | | |
|---|---|---|---|---|
| 030374 | Mackerel, frozen, whole | Norway | 33,044 | 29,830 |
| | | Netherlands | 5413 | 4169 |
| | | Great Britain | 2219 | 1734 |
| | | Ireland | 1153 | 966 |
| | | Germany | 945 | 701 |
| | | TOTAL | 43,285 | 37,766 |

| | | | | |
|---|---|---|---|---|
| 030410 | Fish fillets, fresh/chilled | Denmark | 2,824 | 2,991 |
| | | Ireland | 214 | 216 |
| | | Norway | 114 | 183 |
| | | Sweden | 46 | 75 |
| | | Great Britain | 14 | 57 |
| | | TOTAL | 3,278 | 3,686 |

| | | | | |
|---|---|---|---|---|
| 030420 | Fish fillets, frozen | China | 18,975 | 36,196 |
| | | Norway | 14,772 | 20,213 |
| | | Russia | 6,986 | 16,000 |
| | | Peru | 5,023 | 6,985 |
| | | Canada | 3,878 | 7,689 |
| | | TOTAL | 49,634 | 87,083 |
| | Other | United States | 371 | 740 |

| | | | | |
|---|---|---|---|---|
| 030710 | Oysters | France | 3 | 15 |
| | | Netherlands | 1.7 | 15 |
| | | Other | 0.156 | 0.293 |
| | | | | |

| | | | | |
|---|---|---|---|---|
| | | TOTAL | 6 | 34 |
| 030612 | Lobster, frozen | Canada | 1.6 | 23 |
| | | Thailand | 0.4 | 7 |
| | | TOTAL | 2 | 30 |

## 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.

Due to the EFTA, fish imports from Norway account for approximately 70% of total imports. However, Poland's seafood market access will experience drastic changes upon EU accession, with a very high potential to open up the market to 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 have reached 0 percent. As of August 1, 2002, all EU seafood imports will have a reduced tariff by 1/3, with the exception of herring, which will acquire only a 30% reduction. In addition, all other seafood imports with ≤ 2% tariffs will be reduced to zero. These changes will eventually result in EU member full trade liberalization of non-processed fish by Jan 1, 2004. These changes will give EU members an advantage, especially the Netherlands, which currently leads EU importers, 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 bound itself 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 accepted 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 modernizing the Polish catching fleet and dispensing subsidies for fishermen to close 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. Within the negotiations on agriculture, Poland will request a 3-year transition period for fish processing plants, allowing 150 plants to be modernized.

Apart from financial help, Polish fishermen will receive larger access to EU markets. In addition, industry development should be stimulated by lack of tariffs, quotas, and other barriers. Beginning in 2003, the EU processing sector will introduce HACCP; currently only 60 Polish fish processing factories fulfill EU sanitary requirements.

**Table IV. Current Tariff for Selected Seafood Products**

| CN Code | Name of product | WTO** | EU Effective Aug 1, 2002 | DEV | LDC | EFTA | Czech Romania Hungary Lithuania Latvia | EU External Duty Rate*** |
|---|---|---|---|---|---|---|---|---|
| ***Frozen Fish*** | | | | | | | | |
| 03035000 | **Herring******** | | | | | | | |
| 030350001 | Jan.1- Feb.14 | 5* | 3 | 3.5 | 0 | 0 | 0 | 15 |
| 030350005 | Feb 15-June 15 | 5 | 3 | 3.5 | 0 | 0 | 0 | 15 |
| 030350003 | *Mar.1-June.15 Baltic Herring Only* | 15 | 10 | 10.5 | 0 | 0 | 0 | 15 |
| 030350007 | *June.16-Sep.30 Baltic Herring Only* | 15 | 10 | 10.5 | 0 | 0 | 0 | 15 |
| 030350009 | Oct.1-Dec.31 | 5 | 3 | 3.5 | 0 | 0 | 0 | 15 |
| 030374 | **Mackerel** | | | | | | | 20 |
| 030374301 | Jan.1-Feb.14 | 20 | 13 | 14 | 0 | 0 | 0 | 20 |
| 030374305 | Feb.15-June 15 | 10 | 7 | 7 | 0 | 0 | 0 | 20 |
| 030374309 | June 16-Dec.31 | 20 | 13 | 14 | 0 | 0 | 0 | 20 |
| 030372000 | **Haddock** | 15 | 10 | 10.5 | 0 | 0 | 0 | 7.5 |
| 030379110 | **Carp** | 10 | 7 | 7 | 0 | 0 | 0 | 8 |
| 0303110010 | **Salmon, headless******** | 10 | 7 | 7 | 0 | 0 | 0 | 2 |
| 0303110090 | **Salmon, other** | 10 | 7 | 7 | 0 | 0 | 0 | 2 |
| 03037955 | **Alaska Pollack** | 15 | 10 | 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 2003*

-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 | DEV | LDC | EFTA | Czech Romania Lithuania Hungary Latvia | EU External Duty Rate*** |
|---|---|---|---|---|---|---|---|---|
| ***Fish Fillets*** | | | | | | | | |
| 030410970 | Herring**** | 10* | 7 | 7 | 0 | 0 | 0 | 15 |
| 030420510 | Mackerel | 15 | 10 | 10.5 | 0 | 0 | 0 | 15 |
| 030420330 | Haddock | 15 | 10 | 10.5 | 0 | 0 | 0 | 7.5 |
| 030410130 | Salmon | 5 | 3 | 3.5 | 0 | 0 | 0 | 2 |
| 030420550 | Hake | 15 | 10 | 10.5 | 0 | 0 | 0 | 7.5 |
| 0304208510 | Alaska Pollack, industrial blocks for processing**** | 10 | 7 | 7 | 0 | 0 | 0 | 15 |
| 0304208590 | Alaska Pollack, other | 10 | 7 | 7 | 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
**** Tariff/Quota Specific
-Herring flaps, exceeding 80g: if import price is ≥ 500 EUR/1000kg, duty is 0%,
*End Date: February 2003* if import price is ≥ 0 EUR/1000kg, measure not applicable,

-Herring flaps, other: 0%
*End Date: February 2003*

-Alaska Pollack, w/bones: if import price is ≥ 1137 EUR/1000kg, duty is 0%
if import price is ≥ 0 EUR/1000kg, measure not applicable
-Alaska Pollack, boneless: if import price is ≥ 1311 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 has its 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
ph: 4858-552-0071, 552-3600
fax: 4858-552-2168 e-mail: sekretariat@mtgsa.com.pl

For more information concerning market entry and a current importer list contact:

Embassy of the United States of America
Office of Agricultural Affairs, Warsaw, Poland
Wayne Molstad, e-mail: agwarsaw@fas.usda.gov or agwarsaw@wp.pl
tel: 48 22 628 2460, fax: 48 22 628 1172

Previous reports on fish and seafood:
GAIN Report #PL 8032- Poland: Fish Market
GAIN Report#PL 1027- Poland: Seafood Products