



TRADE FAIR INTELLIGENCE REPORT



EUROPEAN SEAFOOD EXPOSITION

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1. SUMMARY

With production falling short of demand, the EU has become a major importer of fishery products. The ESE is the world's largest seafood fair and a suitable international exhibition for Sri Lankan companies keen to promote their exports internationally specially in the European market.

At the ESE 2011, many value added products of tuna and prawns were on display such as tuna sausages (Meralliance - France), prawn toffees (participant in competition for 'prix d'elite', Dish hospitality India), fish as a cosmetic product (Young Enterprise – Korea).

The team observed with interest products packed in a different format like Intersmoked from Sapin does: tuna roll vacuum packed like ham in supermarkets.

It was noted that many companies emphasize different preparations of the products. Some companies highlighted the lasting quality of their products. Similarly ready to eat food preparations were also on display.

In terms of prices, an upward trend can be observed. However, Sri Lankan exporters have a disadvantage compared to Asia competitors from Maldives and Bangladesh in terms of higher duties, impacting on price competitiveness.

Upcoming countries in the fish sector are Oman and Peru. Peru is not a competitor as Peru has different products. Oman is a competitor with tuna.

Leading buyer concerns nowadays are clearly related to sustainability, conservation of the resource and compliance with environmental standards. For Sri Lankan exporters, it will be crucial to comply with these requirements and be inspired from product and packaging innovation for their own value addition.

2. TRADE FAIR SPECIFICATIONS

a. Relative Importance

ESE is Europe's the most prominent fair for the seafood sector and considering Europe is Sri Lanka's key market and for this reason Sri Lanka has been participating regularly since 2007. Since Sri Lanka's previous participations have brought tangible outcome it is considered as the most important event for Sri Lanka's fisheries exporter sector.

b. Number of exhibitors

ESE 2011 featured seven exhibit halls with more than 35,000 sq.m. of exhibit space. In 2010 more than 1,600 exhibitors with top buyers from over 140 countries including 330 companies new to the event and 63 National and Regional Pavilions.

Coinciding with the ESE event, Seafood Processing Europe had 217 exhibitors of fishery related equipment suppliers. Of these 56 companies were new to the event.

As per ESE surveys conducted visitors to the ESE have a high purchasing authority, 81 % of visitor have purchasing authority and the median annual purchasing of the buying companies present is over €100 million.

The fair includes top buyers from all major purchasing categories:

Importers/Exporters	35%
Distribution	17%
Services	8%
Aquaculture	6%
Food service	5%
Supermarket/retail	3%

Source: www.euroseafood.com

c. Main countries represented

France, UK, Belgium, China, Spain, Netherlands.

3. NEW TRENDS OBSERVED

a. Product and packaging trends

Various product and packaging trends were observed. The relevance of these trends were assessed as per the product lines of Sri Lanka i.e tuna, prawns, crabs, cuttlefish, etc.

Many value added products of tuna and prawn were on display such as tuna sausages (Meralliance - France), prawn toffees (participant in competition for prix d'elite, Dish hospitality India) fish as a cosmetic product (Young Enterprise – Korea) .

The team observed with interest products packed in a different format like Intersmoked from Sapin does : tuna roll vacuum packed like ham in supermarkets. From Sri Lanka’s perspective the current majority offer is tuna in loin form. The most applicable current form of packing loin form observed at the fair was the biodegradable vacuum pack.



The Heiploeg Group, Belgium has won the special award for retail packaging.

b. Promotion trends

Bigger players in the market displayed multiple usage of their products by demonstrating different preparations of the products. Some companies highlighted the lasting quality of their products. Similarly ready to eat food preparations were also on display. The bigger players in the US and European markets propagate on their commitment for conservation and sustainability of fish resources. A smart item as a promotional gift observed by one of the exhibitors was a carrier bag with wheels to help the promotion material carrying burden.

c. Price trends

Due to shortage and seasonality of supplies an upward price trend can be observed.

4. OBSERVATIONS AT MAIN COMPETITORS

a. Product offer and presentation

The team considered products offered by countries such as Vietnam, Maldives, India, Thailand, Oman, Philippines, Bangladesh, Indonesia is similar and therefore, it is exposed for a severe competition. The current product presentations by these countries are similar to Sri Lankan product presentations.

b. Promotional efforts

The above competing countries regularly participate in trade fairs such as ESE. Some of these countries are assisted by international organizations such as CBI, SIPPO etc. In addition most of these countries use multi national media in their promotional campaign.

c. Prices

Price of Sri Lankan tuna has been more expensive than other Asian exporters. Countries such as Maldives, Bangladesh are enjoying duty free access to major markets as LDCs. However, supplies from countries such as Sri Lanka are subject to payment of import duty of 14.5% - 18.5% and thereby reflecting negatively.

d. Visitor traffic

The exhibition was mainly for exporters, importers, dealers, food processing machine suppliers and agents. Most of the visitors to the competing pavilions also visited the Sri Lanka pavilion.

A considerable number of visitors were observed to the competing stalls from Indonesia, Malaysia, Oman, India, and Thailand during our observation tour. Visitors were interested in new suppliers and coastal states such as Sri Lanka.

5. NEW ENTRANTS

Among the new entrants in the market are Oman and Peru. Peru is not a competitor as Peru has different products. Oman is a competitor with tuna.

a. What do they offer?

Most of the new entrants have similar product offers that were already available in the markets. However, there were some product presentations using fish as base of the product. Eg. Vietnam exporters offered a fish wrap with asparagus. Similarly a European exhibitor has offered a prawn toffee. Sri Lanka is yet to develop such value added products to the market.

b. How do they promote themselves?

Some of the new entrants used visual presentations, demonstrations by cooking chefs, and food tasting to promote their products to the visitors.

c. Are they a threat for the Sri Lankan exporters?

The team observed that these new entrants are not an immediate threat to Sri Lanka exporters. Sri Lanka has been able to capitalize on the quality of the product and complying with international regulations e.g. Sri Lanka prohibits catch of sea birds, sea Turtles etc.

6. BUYERS OPINIONS

a. Market Developments

Sustainability, conservation of resources, environmental standards and compliance with international standards is a leading issue in the seafood market nowadays.

b. Product trends

Most of the buyers from Europe and North America concentrate on health aspects and bio of products. Since their day to day behavior change always they prefer ready to eat products and easy preparations to gourmet products.

c. Opportunities

Sri Lanka needs to concentrate on value added products to develop supply chain opportunities with the leading brand owners in the market. Sri Lanka can consider their own supply outlets in Europe to meet the demand of the different segments in the markets.

d. Price developments

There is an upward trend of the prices. However, the price is controlled by the major players in the market, particularly, by the European dealers. But it is unlikely that suppliers such as Sri Lanka will have the benefit of such increases.

e. Buyer preferences and specifications

Buyer's preference is different from buyer to buyer and country to country. The European buyers prefer fresh tuna in lion form in 2-3 kg. vacuum packed. The Japanese buyers prefer Sashimi grade tuna and black tiger shrimps and the US buyers prefer fresh tuna in loin form & whole tuna and frozen tuna. Most of the consumers prefer ready to cook and ready to eat products.

f. Opinion about Sri Lankan offer and suppliers

Sri Lankan exporters have excellent relationship with their existing buyers. They maintain regular supplies adhering to the international standards strictly monitored by the Department of Fisheries & Aquatic Resources, the Competent Authority to the European Union.

At the ESE 2011 exhibition participated Sri Lankan exporters were able to obtain considerable amount of inquiries, new buyers for their products such as fresh and frozen tuna, shrimps, crabs, lobsters etc.

The exporters were able to prove the confidence of their buyers by participating and meeting buyers at the ESE 2011.

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