USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 5/7/2004

GAIN Report Number: EZ4012

Czech Republic

Fishery Products

Fish and Seafood Market Brief

2004

Approved by:
Sarah Hanson
U.S. Embassy

Prepared by:
Petra Choteborska

Report Highlights:
The Czech seafood market is over $50 million and growing. Per capita consumption is around 5.5 kg and increasing. Only a few years ago "fish" meant traditional carp dishes served at Christmas. However, now seafood is readily available with new hypermarkets offering a wide variety of fresh and frozen fish and seafood. Over 60% of fish is consumed in hotels and restaurants. The EU accession resulted in tariff increases from zero to 2 – 8%. However, the increases will have little impact on consumption, as Czech disposable incomes continue to rise and consumers are tending toward healthier diets. There is a strong market potential for U.S. salmon, shellfish, and frozen fish products.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Vienna [AU1]
[EZ]

MARKET OVERVIEW

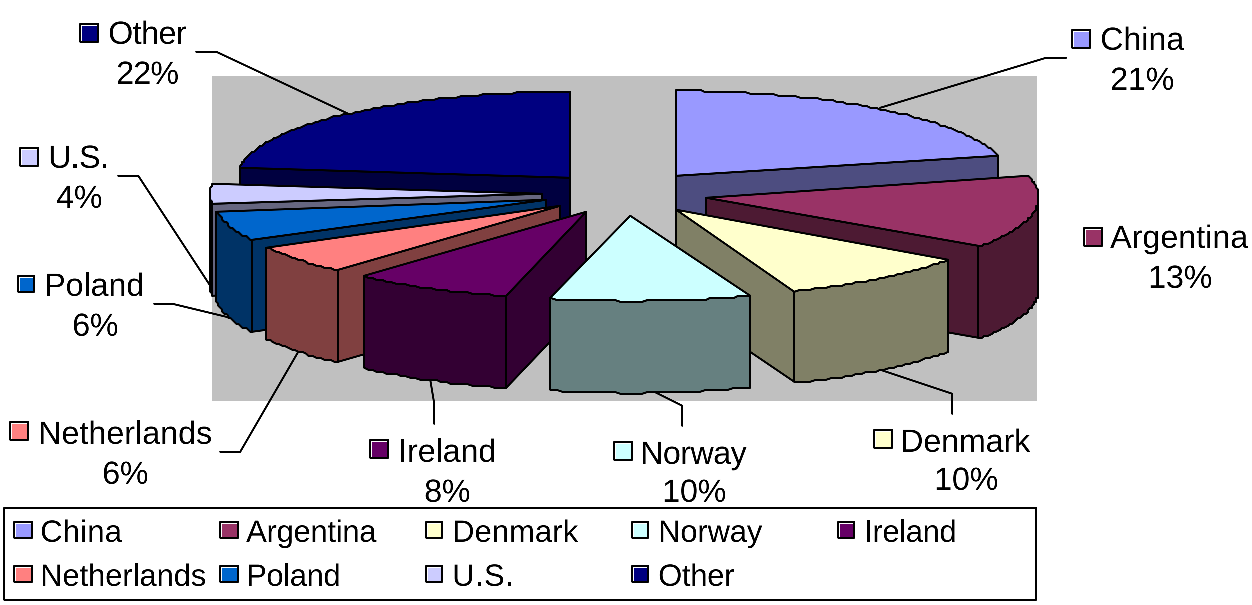
- The Czech seafood market is valued at over $50 million, a 32% increase since 1999 (as a result of higher prices and a changed import mix with more expensive types of fish); by volume, a 5% increase)
- Per capita consumption is still relatively low at around 5.5 kg. (for comparison, the German average is 15 kg, the EU average is 17 kg). However, Czech consumption is increasing.
- The Czech Republic is a landlocked country with only freshwater fish production (carp – traditional Christmas dish, trout, pike, bream, etc.)

Advantages	**Challenges**
Availability and knowledge about fish is increasing	Higher import tariff after the EU accession (from 0 to 2 – 8%)
Growing number of specialty restaurants and hypermarkets offering fish	Strong competition from the EU countries: EU exporters have 0 tariff rate; U.S. fish tariff rates increased with EU Accession.
Lower VAT for shellfish (drops from 22% to 19%, other fish remains at 5%)	Higher prices for fish than for meat and poultry

TRADE

Total fish and seafood imports in 2003 were 31,200 MT ($52 mil.), out of which 1,400 MT ($2.3 mil.) was supplied by the U.S. (4.5% market share). The following graph shows fish and seafood imports by country for 2003:

Import of Fish and Seafood by Country (in 2003, total $51 mil.)



Total imports of various fish categories in the past five years **in $mil:**

	1999 total	2000 total	2001 total	2002 total	2003 total	2003 US
Live fish	1.0	1.1	1.1	1.8	2.2	0.002
Fresh or chilled fish	1.6	2.0	2.2	2.7	4.0	0.03
Frozen fish	6.7	6.4	8.0	9.2	9.6	0.6
Fish fillets	24.3	24.7	31.4	29.8	30.8	1.7
Dried, salted fish	1.6	1.1	1.3	1.6	2.1	0
Crustaceans	1.4	1.1	1.2	1.2	1.6	0.002
Mollusks	1.4	1.4	1.1	1.1	1.7	0.002
Total	**38**	**38**	**46**	**47**	**52**	**2.4**

Consumption trends and distribution

- About 85% of all imported fish is frozen, 15% is fresh and live fish – both fresh and frozen fish are available all year round
- Over 70% of total fish sales are from hotel and restaurant sector, the remaining 30% are generated from retail – new hypermarkets that emerged in the second half of the 1990s (Tesco, Carrefour, Ahold) have extensive fish sections carrying fresh, live and frozen fish and accompanied by cookbooks on how to prepare fish, wines, seasonings etc.
- There are no fish stands or trucks selling fresh fish as commonly found in other EU countries
- Traditional fish consumption consists of carp for Christmas; smoked or dried fish products bought for home consumption and trout offered all year round on the menu of most Czech restaurants; in the past several years, consumption of more expensive fish (salmon, halibut, shrimp, lobster, etc.) has increased (bought fresh, frozen or live)

Entry Strategy

- Fish is imported by several companies, the largest one, owned by Danish parent company, is Nowaco; these companies import frozen fish centrally through their headquarters in Europe (in Denmark, Norway, etc.) and independently import fresh, live, and specialty fish
- The importers have their own distribution trucks, warehouses, lobster tanks and supply retail and hotel and restaurant sectors; importers are also wholesalers and distributors

Taxes and prices

- Basic level of VAT changed with the EU accession on May 1, 2004 from 22% to 19% - this level applies for more expensive kinds of fish, e.g. lobster, shrimp; Other fish like Alaska Pollock, salmon, etc. remain at the lower VAT level of 5%

- Prices of fish vary throughout the year; freshwater fish and frozen fish fillets are among the cheapest products; the most expensive include live lobster and crab, seafood, and some saltwater fish
- Upscale restaurants in Prague offer fish specialties for up to $35 per meal (without drinks, appetizers)
- For a complete Prague restaurant guide, see: www.grand-restaurnat.com

Import Tariffs

On May 1, 2004, after the EU accession Czech import tariff went from zero to the EU level (which is usually 2% but in some cases (like live lobster) 8-10%).

(Exchange rate: April 2004: 1$ = 27 CZK)