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Portugal

Fishery Products

Annual

2006

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Report Highlights:
Portugal will continue and even improve somewhat in the medium term as a market U.S. frozen cod. (LR100SH1).

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Madrid [SP1]
[PO]

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Executive Summary

- Edible fish-fish product imports in Calendar Year (CY) 2007 should reach 420,000 Metric Tons (MT), up from 410,000 MT in CY 2005. About eight percent of this total (approximately 34,000 MT) will likely be U.S. exports, consisting primarily in frozen processing cod.

- Portuguese seafood imports, will likely continue to increase over the medium term, due to locally depleted stocks, and restrictive EU allowable catch policies.

- For additional details on EU import legislation, please check EU FAS GAIN Report EU36013.

- For additional details on the Portuguese seafood market, please contact the following:

Foreign Agricultural Service
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Groundfish, Whole, Eviscerated

Production, Supply & Distribution Table

PSD Table									
Country	Portugal								
Commodity	Groundfish, Whole/Eviscerated						(MT)		
	2005 Revised			2006 Estimate			2007 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	01-2005			01-2006			01-2007		
Beginning Stocks	5,000	0	5,000	0	0	5,047	0	0	5,087
Total Production	8,500	0	9,737	0	0	9,740	0	0	9,770
Intra-EU Imports	34,000	0	38,442	0	0	41,000	0	0	43,000
Other Imports	50,000	0	43,761	0	0	49,000	0	0	53,000
Total Imports	84,000	0	82,203	0	0	90,000	0	0	96,000
Total Supply	97,500	0	96,940	0	0	104,787	0	0	110,857
Intra EU Exports	6,500	0	4,685	0	0	4,600	0	0	4,500
Other Exports	1,200	0	608	0	0	400	0	0	300
Total Exports	7,700	0	5,293	0	0	5,000	0	0	4,800
Domestic Consumption	84,800	0	86,600	0	0	94,700	0	0	100,000
Other Use, Losses	0	0	0	0	0	0	0	0	0
Total Utilization	84,800	0	86,600	0	0	94,700	0	0	100,000
Ending Stocks	5,000	0	5,047	0	0	5,087	0	0	6,057
Total Distribution	97,500	0	96,940	0	0	104,787	0	0	110,857

Production

General

PORTUGAL: HARVESTED GROUNDFISH FROM 2000 TO 2007

	2000	2001	2002	2003	2004	2005	2006 (E)	2007 (F)
Cod	3,779	4,385	4,118	3,628	4,665	4,420	4,400	4,400
Hake	3,058	3,396	3,145	2,417	2,483	1,973	1,980	1990
All Other	4,990	5,364	4,911	4,921	2,600	3,344	3,360	3,380
TOTAL	11,827	13,145	12,174	10,966	9,748	9,737	9,740	9,770

Source: National Statistics Office (INE), up till 2005. “Groundfish” includes cod, hake, pollack, haddock and halibut. (E) Estimate. (F) Forecast.

- Portuguese groundfish production is mostly stable, as fish catch is subject to the Total Allowed Catch (TAC) regime (see more under Policy section).

- Hake production is severely affected by stocks problems, and is object of a special EU control program (see Total Edible Fishery Products).
- For reporting purposes we include here the following species, fresh and frozen: cod, hake, whiting, halibut, pollock and haddock.

Quality

- Local consumers are very quality-sensitive, due to a strong local fish-eating tradition.
- This is especially important in the case of fish for selling at retail;
- Industrial users are more sympathetic to the price-quality relationship. These are the users importing increased quantities from the United States.
- However, even here, the quality factor remains important, as it reflects in end-product characteristics. In general terms, the thicker the salted and dried cod (the primary cod end-product here), the better it is received in the Portuguese consumer market.

Consumption

Portugal: Groundfish Consumption

	2000	2001	2002	2003	2004	2005	2006	2007
Cod	23,779	37,253	43,000	45,400	50,400	51,600	59,400	64,500
Hake	30,739	30,808	32,000	32,800	29,100	29,600	29,600	29,600
All Other	4,482	6,939	6,200	4,800	3,500	5,400	5,700	5,900
TOTAL	59,000	75,000	81,200	83,000	83,000	86,600	94,700	100,000

Note: We have estimated data in table based on available official production and trade statistics.

- Portuguese total groundfish consumption will be up in CY-2006, due to the effects of higher industrial use of processing cod.
- This trend should remain unchanged in CY-2007. The local cod industry continues to produce significant quantities of the popular salted dry cod from imported frozen cod, which is de-frosted, salted and dried as done traditionally with the fresh product. This procedure has many advantages over direct importing of salted wet cod for local finishing. It generates accrued margins to the cod industry, in addition to flexibility in product finishing and delivery to the retailers (see also under Salted Cod).
- Fresh cod is primarily used for mincing, for direct sale, or further processing by the ready-to-eat industry.

Trade

General

PORTUGAL: TOTAL GROUNDFISH IMPORTS

	2000	2001	2002	2003	2004	2005	2006	2007
IMPORTS: METRIC TONS, HG (*) WEIGHT								
Cod	25,086	37,303	41,659	45,560	49,157	49,630	57,000	62,000
Hake	29,663	29,249	29,729	31,309	28,250	28,957	28,900	28,800
All Other	3,172	5,074	3,247	2,154	2,192	3,616	4,100	5,200
TOTAL	**57,921**	**71,626**	**74,635**	**79,023**	**79,599**	**82,203**	**90,000**	**96,000**

SOURCE: National Statistics Office (INE) until CY-2002, and Global Trade Atlas for CY-2003 to 2005. We have estimated remaining data. (*) Headed and gutted.

- We expect total Portuguese groundfish imports to be up in CY-2006 due to an expansion in frozen cod imports for processing. First semester 2006 total imports were up 10 percent relative to first semester 2005 levels, with frozen cod being up 13 percent.

- Imports of hake will tend to decline in association with the slowdown in domestic demand for more expensive seafood categories;

- These trends should remain unchanged in 2007.

- We expect U.S. groundfish exports into Portugal to continue to increase in CY-2006, favored by the weak dollar rate against the Euro. First semester 2006 groundfish imports from the U.S. were up 24 percent relative to first semester 2005 levels.

- U.S. groundfish shipments into Portugal consist primarily in frozen cod (93 percent of total first semester 2006 shipments into Portugal).

Trade Matrixes

Import Trade Matrix

Country Portugal

Commodity Groundfish, Whole/Eviscerated

Time Period	Jan-Dec	Units:	Metric Tons
Imports for:	2005		2006
U.S.	14,577	U.S.	18,200
Others		Others	
Spain	31,138	Spain	27,200
Denmark	2,836	Denmark	4,200
U.K.	2,609	U.K.	1,700
Other EU-25	1,859	Other EU-25	3,700
Russia	19,658	Russia	26,200
Norway	4,120	S. Africa	3,000
S. Africa	3,554	Norway	3,000
Total for Others	65,774		69,000
Others not Listed	1,852		2,800
Grand Total	82,203		90,000

Export Trade Matrix

Country Portugal

Commodity Groundfish, Whole/Eviscerated

Time Period	Jan-Dec	Units:	Metric Tons
Exports for:	2005		2006
U.S.	13	U.S.	20
Others		Others	
Spain	3,389	Spain	3,300
France	760	France	500
Other EU-25	536	Denmark	400
China	225	Other EU-25	280
Brazil	143	Brazil	270
		Switzerland	110
Total for Others	5,053		4,860
Others not Listed	227		120
Grand Total	5,293		5,000

Policy

General

- As EU member, Portugal applies the Common Fisheries Policy (CFP). The CFP is undergoing a simplification process over the 2006-2008 period, with a new focus upon resource conservation and control, under the EU Action Plan for Simplifying the Common Fisheries Policy, which was tabled by the EC in October 2005.

- As EU-member, Portugal's resource management policies in national and international waters are EU-coordinated;

- Most species are affected by preservation problems, and therefore subject to the Total Allowed Catch (TAC) regime. EU fishing TACs in international waters are set through a process of negotiation with third countries with fishing rights.

- Council Regulations (EC) 51 and 52/2006, published in the Official Journal L 16, dated January 20, 2006, lay out EU TACs for 2006.

- As a consequence of the EU Fisheries policy reform (EU Regulation 2369/02), species with special conservation problems are to be managed with EU-set Recovery Plans, to apply accumulatively with the Total Allowed Catch (TAC) Regime (please see more in Total Edible Fishery Products).

- The EU is developing a Plan for hake populations in Portuguese waters. Plans under discussion between local authorities and the EU include measures to control fishing, and closing of fishing areas. There are provisional measures in place, while the Plan is being prepared.

- Seafood imports from third countries must comply with the EU official certification procedures, and with EU health and hygiene dispositions.

- For more details on the EU fisheries production policy, and on relevant import dispositions, please check under FAS GAIN Report E36013, under http://www.fas.usda.gov/gainfiles/200602/146176727.doc.

Tariffs

- Groundfish trade is subject to the EU import tariff regime. The EU tariff schedule in effect during CY-2006 is contained in EC Regulation 1719/2005, published in EU Official Journal L-286, dated October 28, 2006.

- Below we provide a summary table with currently applicable import tariffs for most relevant groundfish species.

EU Import Quota to Benefit Processors (*)

Tariff Code	Description	Yearly Quota (M.T.)	Quota Duty (%)	Quota Period
	Fresh Processing Cod			
0302.50.10.20	- Gadus morhua			
0302.50.90.10	- Other species			
	Frozen Cod			
0303.60.11.10	- Gadus morhua	50,000	0	Jan/December
0303.60.19.10	- Gadus ogac.			
0303.60.90.10	- Gadus macrocephalus			

(*) "Autonomous Community tariff quotas," set for the 2004-06 period by Council Regulation 379/2004 dated February 24, 2004. Imports under the "autonomous quota" are subject to “reference” EU entry prices.

Summary Table for EU Frozen Cod and Pollack Import Tariffs

HTSCN	Product Description	Tariff in Effect
0302.50	Fresh/Chilled Cod	
0302.50.10	Gadus morhua	
0302.50.10.20	For Processing	12 %
0302.50.10.80	Other	12 %
0302.50.90	Other Cod Species	
	Gadus Ogac.	
0302.50.90.10	For Processing	12 %
0302.50.90.90	Other	12 %
0302.63.00	Black Pollack (Pollachius virens)	7.5%
0302.69.51	Alaska Pollack (Theragra chalcogramma) and European Pollack (Pollachius pollachius)	7.5 %
0303.60	Frozen Cod	
0303.60.11	Gadus morhua	
0303.60.11.10	For processing	12 %
0303.60.11.90	Other	12 %
0303.60.19	Gadus Ogac.	
0303.60.19.10	For processing	12 %
0303.60.19.90	Other	12 %
0303.60.90	Gadus macrocephalus	
0303.60.90.10	For processing	12 %
0303.60.90.90	Other	12 %
0303.73.00	Coalfish (Pollachius virens)	7.5 %
0303.79.55	Alaska Pollack and European Pollack	
0303.79.55.30	Frozen Alaska Pollack	15%
0303.79.55.90	Other	15%

Marketing

- U.S. processing groundfishes are presently favored by the weak dollar rate against the Euro.

- Processing cod remains the primary target market, due to the strong local demand for salted dry cod (see more under Cod).

- For additional assistance, U.S. exporters wishing to export groundfish into Portugal should contact the FAS Office:

Foreign Agricultural Service
American Embassy, Madrid American Embassy, Madrid
PSC 61, Box 20 Serrano, 75 – Box 20
APO AE 09642 28006 Madrid
Tel. 34-915872555 Spain
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Cod, Salted Wet

Production, Supply & Distribution Table

PSD Table **Country** Portugal **Commodity** Cod, Salted									(MT)
	2005 Revised			2006 Estimate			2007 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	01-2005			01-2006			01-2007		
Beginning Stocks	150	0	150	0	0	150	0	0	150
Total Production	45,000	0	48,000	0	0	55,200	0	0	58,600
Intra-EU Imports	36,000	0	37,898	0	0	42,000	0	0	43,000
Other Imports	41,000	0	28,803	0	0	22,000	0	0	20,000
Total Imports	77,000	0	66,701	0	0	64,000	0	0	63,000
Total Supply	122,150	0	114,851	0	0	119,350	0	0	121,750
Intra EU Exports	2,400	0	3,684	0	0	5,000	0	0	6,000
Other Exports	40	0	174	0	0	200	0	0	300
Total Exports	2,440	0	3,858	0	0	5,200	0	0	6,300
Domestic Consumption	119,560	0	110,843	0	0	114,000	0	0	117,300
Other Use, Losses	0	0	0	0	0	0	0	0	0
Total Utilization	119,560	0	110,843	0	0	114,000	0	0	117,300
Ending Stocks	150	0	150	0	0	150	0	0	150
Total Distribution	122,150	0	114,851	0	0	119,350	0	0	123,750

Production

Portugal: 2000-2007 Salted Wet Cod Production Series
Units: Metric Tons

	2000	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Production	22,500	34,800	37,300	43,000	45,000	48,000	55,200	58,600

Note: We have estimated data above from existing official production and trade data.

- Salted wet cod production will tend to be up in CY-2006 in association with the higher activity levels of the local cod salting and drying industry;

- The bulk of local salted wet cod production is presently derived from frozen imported cod. Only some 5 percent of total output results from the processing of cod harvested by Portuguese fishermen.

- According to the Portuguese cod industry, some 50 percent of the national catch is processed into salted dry cod. The other half is frozen and minced.

Consumption

- Domestic salted wet cod use will tend to be up in CY-2006, spurred by the strong demand for salted dry cod;

- The local industry has developed the cod market through promotional activities, and considerable product innovation. Recent products in expansion include low-priced minced cod products and pre-wet frozen cod.

Trade

General

Portugal: Salted Wet Cod Trade (Units: Metric Tons)

CY:	2000	2001	2002	2003	2004	2005	2006	2007
Imports	93,880	88,008	73,295	60,022	75,379	66,701	64,000	63,000
Exports	3,139	5,247	4,348	2,909	2,400	3,858	5,200	6,300

Source: Global Trade Atlas (GTIA) till 2005. We have estimated remaining data. All data reported in fresh weight, headed and gutted basis.

- Salted wet cod imports are likely to decrease slightly during CY-2006, as production from imported frozen cod goes up (see Production above).

- EU-25 import share in total will be up in 2006, in relation to developing EU marketing channels for cod products. These contribute to easier and more competitive supply of salted wet cod from other EU countries, some transshipped from non-EU origins.

- Total imports will tend to come down further in CY-2007, displaced by larger domestic salted wet cod production.

- Trade data above was converted from commercial net weight into headed and gutted basis.

- Portugal also imports significant quantities of salted dry cod. For local salted dry cod imports during the CY-2000 to 2005 period, please check table below.

Portugal: Salted Dry Cod (*) Imports **(Units: Metric Tons)**

Calendar Year:	2000	2001	2002	2003	2004	2005
Total	**47,848**	**47,940**	**55,597**	**57,765**	**65,225**	**49,943**
EU-25	16,907	25,745	34,063	35,760	46,984	33,136
Sweden	512	2,100	6,667	11,205	23,345	18,944
Denmark	3,542	10,612	17,385	12,887	13,963	7,765
Spain	8,761	7,514	4,561	6,123	5,720	3,605
Germany	2,432	2,423	2,858	4,092	2,252	1,345
France	1,193	1,379	1,622	747	529	94
Other EU-25	466	1,717	970	707	1,176	1,382
Non-EU	30,941	22,195	21,534	22,006	18,240	16,807
Norway	30,887	21,914	21,270	14,240	11,359	10,918
Russia	9	83	72	6,009	5,731	4,441
China	0	57	0	1,631	1,096	1,210
All Other	46	140	192	126	54	237

Source: Global Trade Atlas (GTA). (*) Harmonized tariff schedule code number 0305.51. Imports in tonnage converted to fresh weight, headed and gutted basis.

Factors Affecting U.S. Trade

- U.S. salted wet cod is affected by the EU import tariff regime. This is more favorable to countries signatory of the European Economic Space (EES) agreement (see Tariffs, below);

- Where it is considered a commodity, the landed price is extremely important and drives most of the purchasing here in Portugal.

- The price-quality factors outlined under "Groundfish" are also relevant here. In comparative terms, the local industry reports that the quality of salted dry cod produced from U.S. salted wet cod is higher than when produced from U.S. frozen cod.

Trade Matrices

Import Trade Matrix

Country	Portugal		
Commodity	Cod, Salted		
Time Period	Jan-Dec	Units:	Metric Tons
Imports for:	2005		**2006**
U.S.	4,130	U.S.	3,700
Others		Others	
Denmark	13,037	Denmark	18,900
Netherlands	8,959	Netherlands	12,700
Spain	8,735	Sweden	7,300
Sweden	5,648	Spain	3,600
Other EU-25	1,519	Other EU-25	1,000
Iceland	11,449	Iceland	7,200
Russia	5,936	Norway	3,100
Canada	2,693	Russia	2,500
China	610	Canada	2,000
		China	1,900
Total for Others	58,586		60,200
Others not Listed	3,985		100
Grand Total	66,701		64,000

Export Trade Matrix

Country	Portugal		
Commodity	Cod, Salted		
Time Period	Jan-Dec	Units:	Metric Tons
Exports for:	2005		**2006**
U.S.	0	U.S.	0
Others		Others	
Spain	2,332	Spain	4,200
France	987	France	900
Other EU-25	365	Other EU	100
Switzerland	164		
Total for Others	3,848		5,200
Others not Listed	10		0
Grand Total	3,858		5,200

Policy

Tariffs

- Salted wet cod is subject to the EU import tariff regimen. The EU tariff schedule in effect during CY-2006 is contained in EC Regulation 1719/2005, published in EU Official Journal L-286, dated October 28, 2006.

- EU Member States and Members of the European Economic Space (EES) have favorable access conditions for all cod types. We provide relevant import quotas in effect in summary tables below.

WTO Quotas for Dry and Wet Cod and *Boreogadus saida* (*)

		Quota (M.T.)	Quota Period	Quota Duty (%)	Regular Duty (%)
0305.51	**Dried cod, even salted, but not smoked**				
0305.51.10	- Dried, not smoked				
0305.51.10.10	- *Gadus morhua*				
0305.51.10.20	- *Gadus ogac.* species.				13%
					13%
0305.51.90	- Dried, salted cod				
0305.51.90.10	- *Gadus morhua*				13%
0305.51.90.20	- *Gadus Ogac.*	25,000	Jan-December	0	13%
0305.62.00	Wet Salted Cod				
	- For processing				13%
0305.62.00.20	- *Gadus morhua*				13%
0305.62.00.25	- *Gadus ogac.*				
	- Other:				13%
0305.62.00.50	- *Gadus morhua*				13%
0305.62.00.60	- *Gadus ogac.*				
	Fish of *Boreogadus saida* sp.				
0305.59.11	- Dried, un-salted				13%
0305.59.19	- Dried, salted				
0305.69.10	- Wet salted				

(*) Published in EU Council Regulation 32/2000 dated December 17, 1999, published in the Official Journal L-5 dated January 8, 2000. Note: Pacific cod has no access to the WTO Quotas.

EU Additional Import Quotas to Benefit Processors (*)

Tariff Code	Description	Yearly Quota (M.T.)	Quota Duty (%)	Quota Period
0305.62.00.20, 25 29 0305.69.10.10	Cod and *Boreogadus saida*, salted or in brine, but not dried or smoked, for processing.	10,000	0	Jan/Dec

(*) "Autonomous Import Quotas," set by EU Council Reg. 379/2004 dated February 24, 2004. Imports under the quota are subject to "reference" minimum EU entry prices.

EU Salted Dry Cod Import Quota for Norway

Product Description	Total Quota	Import Duty (%)	Period in Effect
Salted Dry Cod	13,250 Mt	0 pct	April 1 to Dec. 31

Marketing

- U.S. exporters need to cater to the Portuguese market by developing stable trade relations with local buyers and provide supplies with adequate product quality/price ratios;
- To approach this market we especially recommend participation in the CONXEMAR seafood show, which takes place in the Spanish city of Vigo, just north of Portugal (more details under Total Edible Fishery Products).
- For further assistance, U.S. exporters wishing to export wet salted cod into Portugal should contact the FAS Office:

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email: AgIberia@usda.gov
http://www.embusa.es/

Whole Edible Fishery Products

Production, Supply & Distribution Table

PSD Table									
Country	**Portugal**								
Commodity	**Total Edible Fishery Products**					(MT)			
	2005 Revised			2006 Estimate			2007 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	01-2005			01-2005			01-2005		
Fish Landings	0	0	218,530	0	0	211,800	0	0	206,800
Fresh/Frz Production	0	0	133,200	0	0	127,800	0	0	126,500
Canned Production	0	0	33,000	0	0	33,000	0	0	33,000
Cured Production	0	0	2,200	0	0	2,200	0	0	2,200
Total Production	0	0	168,400	0	0	163,000	0	0	161,700
Fresh/Frozen Imports	0	0	258,734	0	0	283,000	0	0	295,000
Canned Imports	0	0	7,116	0	0	14,000	0	0	15,000
Cured Imports	0	0	122,626	0	0	113,000	0	0	110,000
Total Imports	0	0	388,476	0	0	410,000	0	0	420,000
Fresh/Frozen Exports	0	0	80,786	0	0	80,000	0	0	80,000
Canned Exports	0	0	7,197	0	0	7,000	0	0	7,000
Cured Exports	0	0	23,910	0	0	28,000	0	0	30,000
Total Exports	0	0	111,893	0	0	115,000	0	0	117,000
Domestic Consumption	0	0	444,983	0	0	458,000	0	0	464,700

Production

PORTUGAL: 2000 TO 2007 TOTAL FISH HARVEST

	2000	2001	2002	2003	2004	2005	2006 (E)	2007 (F)
Sardines	66,318	71,947	68,762	64,280	57,711	50,734	45,000	40,000
Horse Mack.	16,033	15,691	21,042	16,041	14,353	16,808	20,000	22,000
Mackerel	11,593	4,938	5,805	8,121	14,290	14,657	15,000	15,100
Red Fish	10,599	8,956	10,188	11,878	10,538	11,518	11,520	11,520
Scabbardfish	7,135	6,888	6,647	6,433	6,309	6,317	6,300	6,300
Octopus	9,844	8,154	8,371	9,814	8,226	10,836	10,000	10,000
Tuna	3,027	3,489	4,241	7,170	10,020	6,975	6,000	6,000
Cod	3,779	4,385	4,118	3,628	4,665	4,420	4,400	4,400
Ray	2,325	2,645	3,053	3,503	3,229	2,338	2,300	2,300
Hake	3,058	3,396	3,145	2,417	2,483	1,973	1,980	1,990
Lolligo (*)	2,448	3,789	4,924	2,274	3,176	2,743	2,830	2,930
All Other	59,362	64,335	66,024	81,518	74,327	89,211	86,470	84,260
Total	195,521	198,613	206,320	217,077	209,327	218,530	211,800	206,800

Units: Metric Tons, Live Weight. Source: National Statistics Office (INE), and General Fisheries Directorate (DGPA), up till 2005. We have estimated remaining data. (E) Estimate. (F) Forecast. (*) Cuttlefish, squid & lolligo.

PORTUGUESE TOTAL OCEAN AND AQUACULTURE HARVEST FROM 2000 TO 2006

	2000	2001	2002	2003	2004	2005	2006 (E)	2007 (F)
Sea Catch	187,985	190,402	198,033	209,043	202,526	211,730	205,000	200,000
Aquaculture	7,536	8,211	8,287	8,034	6,801	6,800	6,800	6,800
Total	195,521	198,613	206,320	217,077	209,327	218,530	211,800	206,800

Units: Metric Tons, live weight. Source: National Statistics Office (INE) , and General Fisheries Directorate (DGPA), up till 2005. We have estimated all remaining data. (E) Estimate. (F) Forecast.

- We expect Portuguese CY-2006 fish harvest to be down relative to CY-2004 levels, due to a slowdown in fish catch during the first half in 2006.
- The Portuguese fisheries directorate (DGPA) reports that first semester 2006 total fish landings were 8.1 percent down from first semester 2005 levels;
- We expect fish landings to decline mildly in 2007, due to the effects of the TAC regime (see Policy).
- Portuguese seafood production is affected by several restrictive factors. In addition to the resource issue, the continuing reduction in fleet size and the high fuel costs are especially significant. For key fishing fleet indicators, please check table below.
- Local authorities are hoping to address structural problems through the 2007-13 European Fisheries Fund (see Policy).

- Virtually all of the local fish catch is sold fresh. Only some 30,000 tons are reportedly frozen, either aboard the vessels or on land by the local fish processing industry. Sardines, tuna fish and mackerel remain the primary raw materials of the canning industry. Cured fish production from Portuguese harvested fish is mostly stable (see Salted Cod). Quality of both fresh and frozen fish sold in the market is considered good and in compliance with EU health directives and regulations.

Portugal: Fishing Fleet Indicators

Year:	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**
Number of Vessels	10,933	10,750	10,532	10,548	10,262	10,068	9,955
Tonnage – GT (*)	n.a.	118,372	118,306	119,158	114,308	112,566	108,814
Power (Kw)	397,938	402,116	405,874	412,927	399,046	390,924	384,560
Share of Vessels under 5 GT in Total (%)							
Number	85	84	84	84	86	87	87
GT (*)	n.a.	7	7	7	8	8	9
Power	22	23	23	24	27	27	29

Source: National Statistics Office (INE). (*) Tonnage in GT is defined in EU Reg. 2930/86.

Consumption

- Domestic consumption of total edible fishery products is mostly stable. However, it should increase slightly in CY-2006, due to the availability of imported fresh/frozen fish at competitive prices (see Consumer Price Index Table below).

- Seafood consumption is subject to seasonal patterns. Fresh fish consumption peaks during the summer, as it is the must abundant production period of the year for the coastal fleet. It is also the harvesting period for the popular sardines. Frozen fish use tends to peak during the winter period.

- Demand for fresh fish and crustaceans should remain strong due to traditional eating habits, and the expansion of upper-end restaurant business.

Portugal: Consumer Price Index (January to December)
Base (100): Average 2002 prices

	2003	**2004**	**2005**	**1st Semester 2006**	**Variation relative to 1st Sem. 05 (%)**
Total (Except Housing)	**103.3**	**105.7**	**108.1**	**110.2**	**2.9**
Food	102.6	103.8	103.3	105.5	2.3
Fish, crustaceans and Mollusk	99.5	97.9	97.5	99.8	2.9
Fresh/Frozen Fish	103.1	101.0	100.3	102.0	1.8
Dry Fish	92.1	90.1	91.2	96.5	7.5
Crustaceans and Mollusk	102.3	102.8	100.2	98.3	-2.3
Canned Fish	106.2	106.3	104.6	105.2	-0.1

Source: National Statistics Office (INE)

Trade

General

Portugal: Total Fishery Product Imports

2000	2001	2002	2003	2004	2005	2006	2007
352,781	366,019	376,603	384,900	383,233	388,476	410,000	420,000

Portugal: Total Fishery Product Exports

2000	2001	2002	2003	2004	2005	2006	2007
76,188	85,582	94,116	98,611	103,066	111,893	115,000	117,000

- We expect Portuguese total edible fishery product imports to be up during CY-2006, due to the larger importation of processing frozen, as well as cured cod;
- For import and export data, in volume and value, please check above tables. All quantitative data is reported on headed & gutted basis.

Factors Affecting the U.S.

- According to the local trade, the price-quality ratio drives almost all fish purchases in the Portuguese market.
- For specific factors affecting processing cod, please check Groundfish and Salted Cod sections in report.

Trade Matrices

Import Trade Matrix

Country	Portugal		
Commodity	Total Edible Fishery Products		
Time Period	Jan-Dec	Units:	Metric Tons
Imports for:	2005		**2006**
U.S.	22,996	U.S.	33,600
Others		Others	
Spain	158,237	Spain	163,000
Sweden	26,329	Denmark	32,000
Denmark	25,291	Sweden	16,000
Other EU-25	40,325	Other EU-25	43,000
Iceland	30,369	Russia	42,000
Russia	22,996	Norway	15,000
Norway	19,291	Iceland	10,000
Morocco	12,056		
Total for Others	334,894		321,000
Others not Listed	30,586		55,400
Grand Total	388,476		410,000

Export Trade Matrix

Country	Portugal		
Commodity	Total Edible Fishery Products		
Time Period	Jan-Dec	Units:	Metric Tons
Exports for:	2005		**2006**
U.S.	1,215	U.S.	1,300
Others		Others	
Spain	71,823	Spain	73,600
France	9,864	France	10,000
Italy	7,388	Italy	5,000
Other EU-25	6,876	Other EU-25	4,400
Brazil	7,420	Brazil	12,000
Angola	1,922	Angola	1,500
Total for Others	105,293		106,500
Others not Listed	5,385		7,200
Grand Total	111,893		115,000

Policy

Production Policy

- Portugal is subject to EU Common Fisheries policies. Local fish producers consider the new Common Fishing Policy (CFP) to be generally restrictive, due to both new fish stocks management rules, and changes in the EU investment subsidy regime.

- The CFP contemplates among others, the implementation of specific plans to manage catch of species with sensitive stocks. There are presently provisional plans in effect to hake and crayfish populations in Portuguese waters, as local authorities continue to work with the EU on definitive recovery plans for hake and crayfish stocks. These plans apply in simultaneous with the TAC regime.

- The EU negotiations of Total Allowed Catch levels (TACs) in international waters are of great importance for Portugal, as over a quarter of Portuguese yearly fish catch comes from international areas;

- For 2006 TACs, please check EU Council Regulations (EC) 51 and 52/2006, published in the Official Journal L 16, dated January 20, 2006.

- Portugal benefits from EU-backed structuring programs to reform its fishing fleet. Right now, local authorities are involved in the discussions for the next structuring program to be in place between 2007 and 2012, the European Fisheries Fund (EFF). Portugal is especially interested in maintaining EU financing of the re-structure of the fleet as well as of mixed societies in foreign countries, of particular significance in African countries.

Tariff Regime

- As EU-Member, Portugal is subject to the EU trade legislation. For an overview of currently applicable tariffs to seafood products please check the Common Customs Tariff Schedule in effect, contained in EC Regulation 1719/2005, published in EU Official Journal L-286, dated October 28, 2006.

- Certain fish categories benefit from tariff-rate quotas under the WTO Agreement (EU Council Regulation 82/2000, published in Official Journal L-5, dated January 8, 2000. There are also special quotas to benefit the EU processing industry (autonomous import quotas). Levels in effect during the 2004-06 period for this type of quotas are set under EU Council Regulation 379/2004, dated February 24, 2004.

- For an overview of TRQs affecting most relevant seafood products, please check under Groundfish, and Salted Cod. For more information on the EU TRQs, please check the FAS GAIN Report E36013.

Marketing

- U.S. seafood exporters are presently favored by the weak dollar against the Euro.

- However, the Portuguese seafood market is quite difficult, due to both a very demanding public, and limited disposable incomes.

- U.S. seafood exports into Portugal are subject to EU labeling, health and sanitary dispositions. On January 1, 2006, the EU implemented new food and feed controls, as stipulated in EC/EP Regulation 882/2004. For relevant details on these issues, please check FAS GAIN Report E36013.

- In order to develop markets here, U.S. exporters are advised to work closely with the local trade, and to participate regularly in regional seafood shows.

- We recommend regular attendance of the "Conxemar" Seafood Show, which is held yearly during the first week of October in Vigo, Spain. Due to its proximity to northern Portugal, "Conxemar" is attended by a large number of Portuguese fish importers.

- U.S. exporters wishing to export seafood into Portugal should contact the FAS Office:

Foreign Agricultural Service
American Embassy, Madrid American Embassy, Madrid
PSC 61, Box 20 Serrano, 75 – Box 20
APO AE 09642 28006 Madrid
Tel. 34-915872555 Spain
Fax: 34-915872556
email: AgIberia@usda.gov
http://www.embusa.es/