ANNEX TO THE **WORLDWIDE FISHERIES MARKETING STUDY:** PROSPECTS TO 1985

BELGIUM

Government of Canada | Gouvernement du Canada
Fisheries and Oceans | Pêches et Océans
Industry, Trade and Commerce | Industrie et Commerce

Canada. Dept. of Fisheries and Oceans. Fisheries Economic Development & Marketing. Marketing Services Branch.

(This Report is one of a series of country and species annexes to the main study - entitled the Overview).

D R A F T

Annex to the
Worldwide Fisheries Marketing Study:
Prospects to 1985

BELGIUM [v.1]

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ACKNOWLEDGEMENT

The preparation of the Worldwide Fisheries Marketing Study, of which this Report is a part, embodies many hours of work not only by the authors but also and more importantly by those who generously provided us with market information and advice.

Specifically, this Report would not have been possible without the cooperation and assistance of fishermen, processors, brokers, wholesalers, distributors, retailers, consumers and their organizations as well as government officials with whom we visited and interviewed. Though too numerous to mention separately, we would like to extend our sincere gratitude and appreciation.

The views expressed in this Study, however, are ours alone and reflect the Canadian perception of worldwide markets.

With regard to the overall Study, we would like to acknowledge:

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To all of the above, we extend our thanks.

E.W.
July, 1979

FOREWORD

As a consequence of global extension of fisheries jurisdictions, a radical shift has taken place in the pattern of worldwide fish supply and demand. This change is still going on and will continue for many years before an equilibrium situation is reached. However, in the midst of this re-adjustment, a new trade pattern is emerging -- some net exporting countries are now importing and vice versa. In the longer term, some countries will experience shortages of supply and others will have a surplus. Fortunately, Canada is amongst the latter group.

The implications for the marketing of Canadian fisheries products arising from the worldwide introduction of the 200-mile limit are extensive. With our vastly improved supply position relative to world demand, government and industry are understandably concerned about ensuring that the bright promise of increased market opportunities are real and can be fulfilled. One of the steps in this process is the publication of the Worldwide Fisheries Marketing Study which assesses the potential on a country and species basis.

Specifically, the purpose of the Study is to identify the short (1981) and longer-term (1985) market opportunities for selected traditional and non-traditional species in existing and prospective markets. In this initial phase, 14 country markets and 8 species groups are analysed. It should be noted that while the information contained in the Reports was up-to-date when collected during March-June 1979, some information may now be dated given the speed with which changes are occurring in the marketplace. In this same vein, the market projections to 1981 and 1985 should be viewed with caution given the present and still evolving re-alignment in the pattern of international fisheries trade, keeping in mind the variability of key factors such as foreign exchange rates, energy costs, bilateral fisheries arrangements and the recently concluded GATT-MTN agreements which have a direct effect on trade flows.

Notwithstanding, the findings contained in these Reports represent an important consolidation of knowledge regarding market potential and implications for improvements in our existing marketing and production practices.

Thus, the results of the Study should usefully serve as a basis for planning fisheries development and marketing activities by both government and industry in order to capitalize on the identified market opportunities.

This draft Report is published for discussion purposes and as such we invite your critical comments.

Ed Wong

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Department of Fisheries and Oceans

July, 1979
Ottawa

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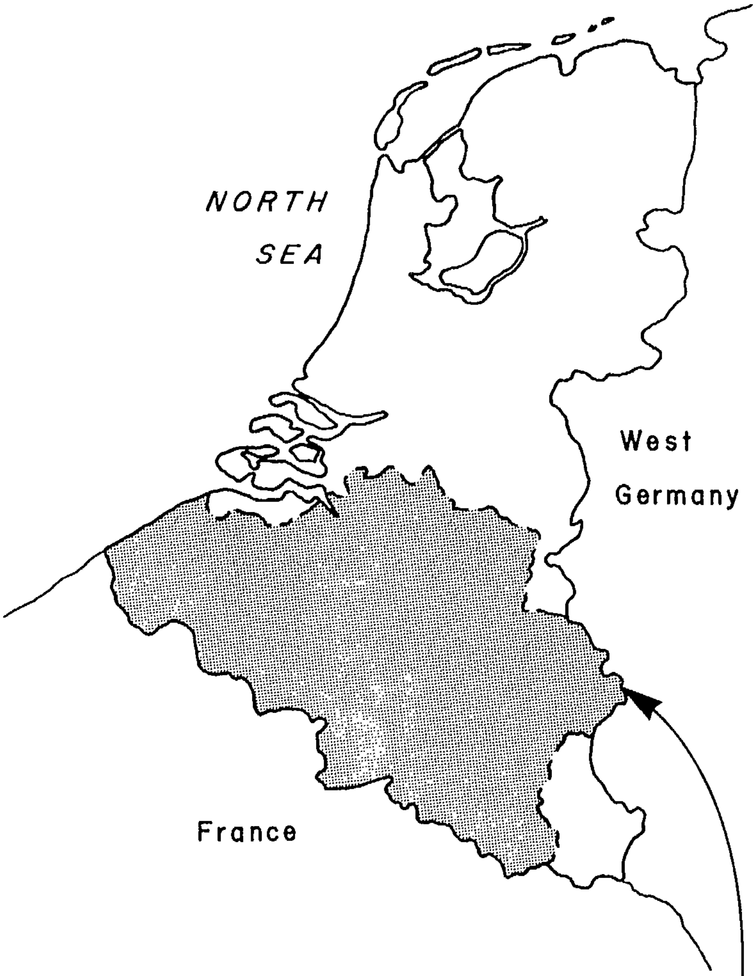
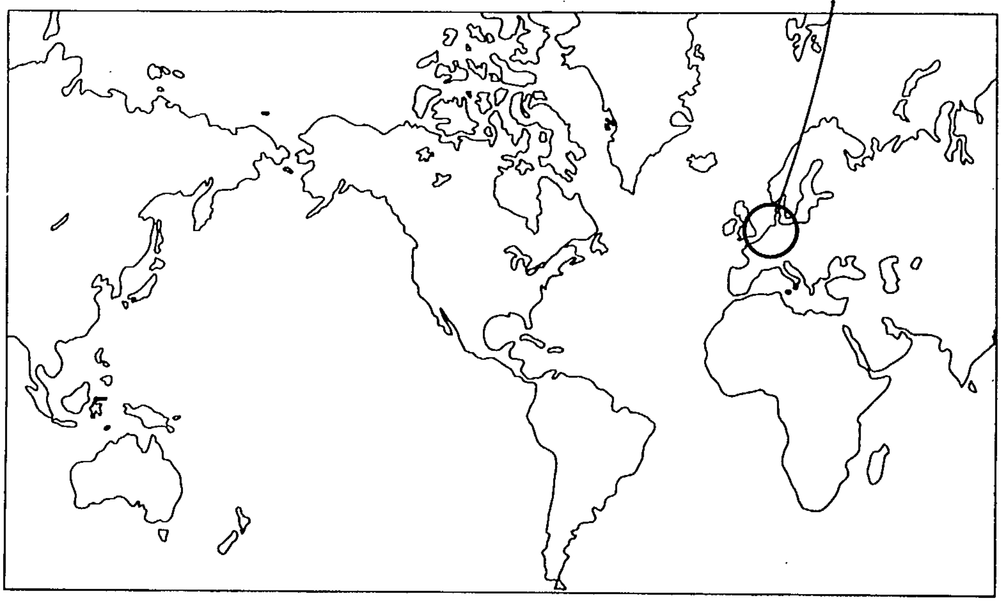


INDEX MAP



A. OVERVIEW

The future of the Belgian fishing industry is linked to, and dependent upon, any common fishing policy which may be adopted by the EC. Until the differences within the Community are reconciled,long range planning within the Belgian industry is stalled, and predictions are difficult.

Britain is proposing to extend her jurisdiction over a fifty mile coastal zone. The opinion of Belgian officials is that Great Britain will not be successful in obtaining the fifty mile coastal zone but that a compromise position may give Britain a twenty five mile coastal zone. This would still have a significant impact on the Belgian fish industry as 60% of the Belgian catch is taken within Britain's suggested fifty mile zone.

At present, the Community is acting in concert only in emergency situations, such as the present herring ban in the North Sea. There is a conflict of opinion on when this ban will be lifted ranging from 1980 among processing "optimists", to 1985 for importer "pessimists". In all other areas, the EC members are abiding by a "gentlemen's agreement" which has yet to be tested in the event of a member state violation.

When the territorial dispute has been settled, attention will undoubtedly be directed towards methods of conservation, and as scientists consider the North Sea has been overfished, the prognosis is for much stricter species quota controls when the North Sea is opened. These quotas will affect not only Belgium, but the other EC countries as well. Belgium draws about 80% of her imports from her EC partners and a decrease in supply within the EC will severely affect Belgium's supply sources.

Belgium is the only EC member to have successfully negotiated a bilateral agreement with Iceland for 12 boats, of which only 8 now remain in service. Belgian officials forecast the end of this fishery arrangement within 5 to 8 years, as the boats engaged in the area are old and will not survive much longer.

The present policy of the Belgian authorities is to maintain the fishing industry for principally socio-economic reasons. Therefore, it is conceivable that the Belgian fishing industry will continue to decrease over the years, especially if Britain successfully extends the fishing zone around its shores. Thus, it is not inconceivable that by the mid-1980's, Belgium will possess a consumer market and fish processing industry almost wholly dependent upon imports.

B. DEMAND FOR FISH

The Belgians are fish lovers being among the highest annual per capita (15.2 kg) consumers in the European Community.

Their consumption has remained relatively stable over the past two decades but in recent years a slight downward trend, particularly in fresh fish, has occurred.

The present population of 10.2 million is expected to grow to only 10.6 million by 1985, with a fractional increase in per capita consumption of fish to 15.4 kg in the same period. Total domestic consumption is likely to increase by 4.2% overall between 1977 and 1985.

Increasing consumer affluence has led to higher personal consumption of crustaceans and molluscs, while contributing to less interest in preserved fish.

Traditionally, the Belgian consumer has preferred to buy fresh fish and prepare it at home, so that prepared fish products have taken a back seat. However, with growing numbers of homemakers going to work, frozen prepared fish has gained ground at the expense of fresh fish.

Between 1973 and 1978 the annual per capita consumption of all frozen food rose from 4 kg to a little over 6 kg for a total of 62,500 tonnes of frozen food sold in 1978. Two-thirds of this was retailed through stores and about one-third went to the institutional trade. The trade provides a growing outlet for frozen seafood meals. Retail trade sales by food product were as follows:

- vegetables	31%
- soups	12%

Table 1

Belgium: Domestic Fish Consumption

		1976	1977	1978	1981	1985
1.	Per capita consumption: (edible or product weight in kg)	15.5	15.2	15.2	15.2	15.4
2.	Population: (in millions)	10.2	10.3	10.3	10.4	10.6
3.	Domestic Market: (line 1 x line 2 in thousand tonnes)	158.1	156.6	156.6	158.1	163.2
4.	Percentage increase:				1.0% (1981/77)	4.2% (1985/77)
5.	Product consumption:					
	Fresh and Frozen	51%	50%			
	Crustaceans and Molluscs	26%	28%			
	Preserved	20%	19%			
	Prepared	3%	3%			

-	potato products	28%
-	fish	15%
-	prepared dishes and entrées	11%
-	other food products	3%

Sales of frozen fish, particularly in prepared dishes and entrées, increased markedly in 1978, while vegetable and potato products remained constant. A recent market research study of consumer fish buying habits by the Institut Economique Agricole showed that fresh fish accounted for 47.1% of fish purchases while frozen and prepared fish represented 52.9% of fish purchases in 1977.

Future changes in the Belgian fish market will likely be highlighted by substitutions of one species for another and shifts between types of products by both individual consumers and institutional buyers with growing emphasis on frozen prepared products.

C. SUPPLY OF FISH

(a) Domestic

It is difficult to optimistically forecast the future of Belgium's domestic fish catch in light of the resource management and institutional changes discussed in Section A of this paper. That overview points forcefully towards a much reduced fleet and far smaller catches of traditional species from familiar near and far fishing grounds in the 1980's.

Already there has been a persistent downward trend in landings, falling from 72,000 tonnes in 1968 to 45,499 tonnes in 1977. Preliminary figures for 1978 are slightly higher (50,893 tonnes), with cod accounting for all of the increase over 1977. However, many scientists believe that there is serious European overfishing, not only of herring but also of cod, sole, plaice and whiting. All may have dropped to below a minimum sustainable yield.

Since 1975, cutbacks have been registered in the numbers, tonnage and horse power of Belgian boats. While six new boats were brought into service in 1978 to replace old vessels, the unsettled picture on fish supplies and EC fishing grounds agreements constrain investment. As more boats go out of service and new ones fail to replace them domestic fish supply will continue to decline.

The Belgian fishing grounds are located in thirteen areas as shown in Appendix I. The majority of fish has been caught off the British Isles. Between 1971 and 1975, only one-seventh came from within the Belgian twelve mile coastal zone, while a slightly greater proportion came from Icelandic waters. Of the remainder, 28% came from within the twelve mile zone of other EC countries, primarily Britain.

Table 2

BELGIAN CATCH BY AREA
1971-1975 Average

Area	Percentage
Belgian Coastal Waters	14%
Iceland	15%
EC Communal Grounds (mainly off Britain)	43%
EC 12 Mile Zone	28%
TOTAL CATCH	100%

(b) Imports

Belgium's fish imports provide for 80% of consumption. However, as result of increased domestic landings in 1978, imports of fish and its products (excluding meal) decreased by 5.9% from 1977 to 105,436 tonnes. Belgian fisheries exports (excluding meal) grew by 10.4% to 24,631 tonnes in 1978.

Belgium's imports of crustaceans and molluscs moved up smartly from constituting one quarter of total fish imports in 1973 to accounting for one-third five years later. This is due in large measure to increased consumer affluence. It is fresh shellfish imports that have moved strongly, while

Table 3 - LANDINGS BY SPECIES

(~~thousand~~ tonnes, round weight)

English, French, Latin, Dutch	1976 1/	1977 2/	1978 3/	1981	1985
Cod, Cabillaud, Gadus morrhua, Kabelijauw, Gul	9,295	12,190	19,498	20,000	20,000
Haddock, Eglefin, Melanogrammus aeglefinus, Schelvis	3,686	3,309	2,146	2,000	1,800
Redfish, Sebaste, Sebastes Marinus, Roodbaars		1,397	1,549	1,600	1,600
Turbot, Turbot, Psetta maxima, Tarbot	232	213			
Halibut, Flétan, Hippoglossus hippoglossus Heilbot	30	43			
Pollock, Lieu jaune, Pollachius pollachius, Pollak	1,874	1,565			
Hake, Merlu, Merluccius merluccius, Heek	356	240			
Flatfish, Poissons plats, – , Platvis					
Grenadier, Grenadier, Coryphaenordes Rupestris, _					
Capelin, Capelan, Mallotus Villosus, Lodde					
Herring, Hareng, Clupea harengus, Haring	1,445	57	1		

	1976	1977	1978	1981	1985
Mackerel, Maquereau, Scomber scombrus, Makreel	319	65		60	60
Salmon, Saumon, Salmo Salar, Zalm					
Freshwater Fish, Poissons d'eau douce, - , Loetwatervis					
Squid, Calmar, Loligo vulgaris, Pylinktvis					
Lobster, Homard, Homarus Americanus, Kreeft	448	475		480	480
Crab, Crabe, Chionoecetes Opilio, (Cancer Irroratus) Krab	214	224		225	225
Scallops, Coquille St. Jacques, Pecten jacobaeus, St. Jakobsschelp					
Shrimps, Crevette grise, Crangon vulgaris, Grijze garnaal	2,094	1,212		500	300
Other Shellfish					
Langoustines Small lobsters		1,388	1,359	1,350	1,350
WHITE FISH					
Saithe		1,565	1,145	1,200	1,250
Whiting		3,546	3,539	3,600	3,600
Plaice		7,894	6,887	6,000	5,500
Sole		3,311	2,960	2,500	2,500
Skate		1,541	1,612	1,700	1,700
Others		7,547	8,726	9,000	9,000

1. EDP
2. EDP
3. O.E.C.D.

Note: EDP 1977 and O.E.C.D. 1977 figures are the same.

preserved or canned crustaceans and molluscs have remained steady. Belgian consumers will pay a premium for fresh shellfish. Currently fresh mussels account for two-thirds of the imported crustaceans, followed by shelled and unshelled shrimps, oysters and lobsters.

Four-fifths of Belgium's fish imports currently come from her EC partners, so that any decrease in supply capability within the EC will severely affect Belgium's sources. The broader EC picture suggests that there will indeed be some European supply stringencies in the 1980's.

In 1977, Canada replaced the U.S. as the largest Belgian fish supplier after the EC. The volume of imports from Canada doubled between 1976 and 1977 to 5,020 tonnes, representing 16.4% of all non-EC imports. Herring accounted for about half of the increase and the remainder was made up of a combination of salmon, lobster, crab and some shrimp.

Supplies from Japan, the United States and Norway, which have usually outranked Canada, all declined in 1977. When this phenomenon coincided with a significant export drive from Canada, the result was a jump into the number one non-EC supplier ranking. Preliminary indications are that 1978 was another good year for Canada, with a further export sales expansion.

Table 4

Canadian Fisheries Exports to Belgium

	Tonnes	% Total Imports	% Non-EC Imports
1976	2,680	2.4	8.2
1977	5,020	4.5	16.4

Canada's main exports have been frozen herring, canned and frozen salmon and live lobsters. In the past few years, shrimp and crab shipments have jumped in volume. Canadian canned products are considered to be of good quality and exports of live lobsters have proven successful.

There are 15 Belgian processing establishments which specialize in cured and smoked fish. A further three firms dry fish and prepare products using dried fish. Another one is a cannery; two more are fish meal plants; and two others are frozen fish processors. Most of the output of these fish plants is for domestic consumption. It includes processed herring, plus salmon and shrimp. Some of the shrimp is locally harvested, but all plants must rely in the main on imports for raw material. This is especially true for salmon and more recently for herring as well.

D. POTENTIAL

(i) Herring

Shortages of domestic herring have enabled Canada to establish a good sales base. Once European herring fishing resumes in the North Sea, Canada's market is likely to suffer. This may not occur before 1983. In the meantime, more stringent export grading, improved quality and more reliability in supply will go a long way to ensuring Canada maintains and builds its market share.

(ii) Shellfish

Perhaps the best potential lies in the growing market for crustaceans and mussels. The market for lower class fish has, in comparison decreased during the last five years. A slow growth trend in frozen and prepared fish products is seen for the future.

(iii) Groundfish

To date, small inroads have been made in supplying frozen cod. Viking, the largest Belgian frozen fish processor, is extremely interested in expanding its sources of supply and has recently sampled Canadian frozen cod blocks. Viking prepares a wide range of frozen products, including fish portions, breaded and battered, cooked and semi-cooked products prepared from frozen blocks. This processor requires saithe, haddock,

BELGIUM FISH

TABLE 5 IMPORT MARKET PROJECTIONS; 1981 and 1985

(~~thousand~~ metric tons, product weight)

	1976 Total	1976 From Canada	1977 Total	1977 From Canada	1978 Total	1978 From Canada	1981 Total	1981 From Canada	1985 Total	1985 Fro Cana
1. COD										
.1 Round-dressed fresh	7,336		6,607							
.2 Fillets	5,746		5,632				5,800	400	6,000	700
.3 Blocks										
.4 Cured	378		367							
.5 Canned										
.6 Other (specify)										
.7 Roe										
.8 Frozen round dressed	385		109							
2. HADDOCK										
.1 Round-dressed fresh	389		303							
.2 Fillets	626		308							
.3 Blocks										
.4 Cured										
.6 Other										
.8 Frozen, round dressed	14		7							
3. REDFISH										
.1 Round-dressed fresh										
.2 Fillets										
.3 Blocks										
.6 Other										
.8 Frozen, round dressed										
4. TURBOT										
.1 Round-dressed fresh										
.2 Fillets										
.3 Blocks										
.6 Other										
.8 Frozen, round dressed										

BELGIUM FISH

TABLE 5 IMPORT MARKET PROJECTIONS, 1981 and 1985

(~~thousand~~ metric tons, product weight)

	1976 Total	1976 From Canada	1977 Total	1977 From Canada	1978 Total	1978 From Canada	1981 Total	1981 From Canada	1985 Total	1985 From Canada
5. HALIBUT										
.1 Round-dressed fresh	94		80							
.2 Fillets										
.3 Blocks										
.6 Other Cured	23									
.8 Frozen, round dressed	483		519							
Smoked	44									
6. POLLOCK										
.1 Round-dressed fresh										
.2 Fillets										
.3 Blocks										
.4 Cured										
.6 Other										
.7 Roe										
.8 Frozen, round dressed										
7. HAKE										
.1 Round-dressed fresh										
.2 Fillets										
.3 Blocks										
.4 Cured										
.6 Other										
.8 Frozen, round dressed										
8. FLATFISH										
.1 Round-dressed fresh	1,815		1,731							
.2 Fillets										
.3 Blocks										
.6 Other										
.8 Frozen, round dressed	468		166							

BELGIUM FISH
TABLE 5 IMPORT MARKET PROJECTIONS, 1981 and 1985

(~~thousand~~ metric tons, product weight)

	1976		1977		1978		1981		1985	
	Total	From Canada	Total	From Canada	Total	From Canada	Total	From Canada	Total	From Canada
9. GRENADIER										
.1 Round-dressed fresh										
.2 Fillets										
.3 Blocks										
.4 Cured										
.5 Canned										
.6 Other										
.8 Frozen, round dressed										
10. CAPELIN										
.1 Round-dressed fresh										
.4 Cured										
.5 Canned										
.6 Other										
.7 Roe										
.8 Frozen, round dressed										
11. HERRING										
.1 Round-dressed fresh	2,559		1,871					800		
.2 Fillets Canned	5		26							
.21 Butterfly fillets								1,500		1000
.3 Blocks										
.4 Cured	2,937		2,146							
.5 Canned	806		893							
.6 Other Smoked	194		177							
.7 Roe										
.8 Frozen, round dressed	6,004	743	6,564	2,124			5,000	1,000	5,500	1200
12. MACKEREL										
.1 Round-dressed fresh	1,444		1,127							
.2 Fillets			12							
.4 Cured										
.5 Canned	4,083		3,642							
.6 Other Smoked	189		197							
.8 Frozen, round dressed	717		967							

BELGIUM FISH

TABLE 5 IMPORT MARKET PROJECTIONS; 1981 and 1985

(~~thousand~~ metric tons, product weight)

	1976 Total	1976 From Canada	1977 Total	1977 From Canada	1978 Total	1978 From Canada	1981 Total	1981 From Canada	1985 Total	1985 From Canada
3) . SALMON										
.1 Round-dressed fresh	83		129							
.2 Fillets/Steaks										
.4 Cured	12									
.5 Canned	4,310	1,279	3,460	1,905			4,500	2,100	4,800	2,200
.6 Other Smoked	318		356							
.7 Roe										
.8 Frozen, round dressed	2,042	291	1,860	487			2,500	600	2,500	600
4) . OTHER FINFISH										
.1 Round-dressed fresh										
.2 Fillets										
.3 Blocks										
.4 Cured										
.5 Canned										
.6 Other										
.8 Frozen, round dressed										
FRESHWATER FISH										
5) . WHITEFISH										
.1 Round-dressed fresh	4		3							
.2 Fillets										
.3 Blocks										
.6 Other										
.8 Frozen, round dressed										
6) . PIKE										
.1 Round-dressed fresh	24		22							
.2 Fillets										
.3 Blocks										
.6 Other										
.8 Frozen, round dressed										

BELGIUM FISH

TABLE 5 IMPORT MARKET PROJECTIONS, 1981 and 1985

(~~thousand~~ metric tons, product weight)

	1976		1977		1978		1981		1985	
	Total	From Canada	Total	From Canada	Total	From Canada	Total	From Canada	Total	From Canada
17. PICKEREL and SAUGER										
.1 Round-dressed fresh										
.2 Fillets										
.3 Blocks										
.6 Other										
.8 Frozen, round dressed										
18. LAKE PERCH										
.1 Round-dressed fresh										
.2 Fillets										
.3 Blocks										
.6 Other										
.8 Frozen, round dressed										
19. LAKE SMELT										
.1 Round-dressed fresh										
.2 Fillets										
.3 Blocks										
.6 Other										
20. OTHER FRESH-WATER FISH										
.1 Round-dressed fresh	419		653							
.2 Fillets										
.3 Blocks										
.6 Other										
.8 Frozen, round dressed	126		32							

BELGIUM FISH

TABLE 5 IMPORT MARKET PROJECTIONS; 1981 and 1985

(~~thousand~~ metric tons, product weight)

	1976		1977		1978		1981		1985	
	Total	From Canada	Total	From Canada	Total	From Canada	Total	From Canada	Total	From Canad
SHELLFISH										
21. SQUID										
Round										
Tube										
Dried										
Other										
22. LOBSTER										
In Shell	821	133	808	158			850	175	850	180
Meat										
Canned										
23. CRAB										
In Shell	171	10	229	3			235	10	235	10
Meat										
Canned	1,113	169	1,142	229			1,200	235	1,200	235
24. SCALLOPS										
Meats										
Meats with roe										
25. SHRIMPS										
Raw - in shell	2,645		2,733	31			2,800	32	2,800	32
Cooked, peeled & deveined	3,562		4,431				4,500	10	4,500	10
Canned										
26. OTHER SHELL-FISH										
In shell	245		263							
Meat										
Canned	191	19	144	35			175	40	175	40
27. TOTAL IMPORTS										

bream, halibut and freshwater fish such as eels. While Canadian saithe and hake are slightly different from those species presently imported into Belgium, there is some export potential for these supplies from Canada.

If Canadians want to sell fresh fish into the Belgian market it would have to be sold at auction, and provisions would have to be made for refrigerated transit from the airport in Brussels to the point of sale. Indications are that this would not be practical.

E. PROBLEMS

(i) Prices

In 1978 the integrity of the Canadian herring industry was put in question. Conflicting reports on price and availability of product were prevalent. Belgium buyers were offered Canadian herring products at a firm price by Canadian processors, and at the same or lower prices by an intermediary within a week. Furthermore, there was evidence that, although herring products were invoiced at the current market price, credit notes were later issued to certain buyers. Confusion reigned about the true value of herring and product availability in Canada. The expected quantity discounts were not always allowed and delivery charges were assumed for some volume customers but not others. This created inequities in the eyes of some large buyers. Trade practices can undermine the work of CAFE and create doubts among buyers concerning the credibility of Canadian sellers.

(ii) Quality

Quality is a prime consideration to the Belgian consumer. Canadian producers must be prepared to meet Belgian species quality specifications as defined by the prospective Belgian buyer.

F. TRADE PRACTICES

Ostend is the most important Belgian fishing port in terms of volume of landings. It has two markets: the fish auction and the herring market. Cod, haddock, whiting, redfish and herring, the most popular species, are the principal varieties available at Ostend. Zeebrugge has replaced Ostend as the number one port in terms of value of catch landed. The principal species sold are sole, plaice, shrimp, and Norway lobster. Nieuwport is the third Belgian harbour. Its importance is declining as smaller boats are gradually withdrawn from the fleet.

By law, fresh fish must be sold through the fish auctions which are held at Ostend, Zeebrugge and Nieuwport. This auction regulation is rigidly enforced and a 10% tax on fresh fish is collected. Approximately four-fifths of the fish is sold within the first two days of the week and most fishermen try to conclude their work in that period. As a result, the majority of buyers attend the first two days and prices are consequently higher.

Buyers at the auctions are usually distributors and have offices within the auction compound. The fishermen gives a starting price and bidding proceeds downward from that price. The government has established minimum prices, below which the government buyer purchases for delivery to fish meal plants. Government inspectors can also withdraw fish from the auction if quality standards are not met.

Distributors prepare fish either within the auction complex or at their own warehouses. Preparation depends upon their clients, but can involve deheadings, skinning and filleting. The fish is then transported on ice to the retail or commercial outlets by refrigerated trucks kept at $0^{\circ}C$.

Fresh fish is often available in the retail stores within five hours of the auction. Some of this fish has been iced at sea and is six to eight days old when landed, but a small proportion is only one or two days old.

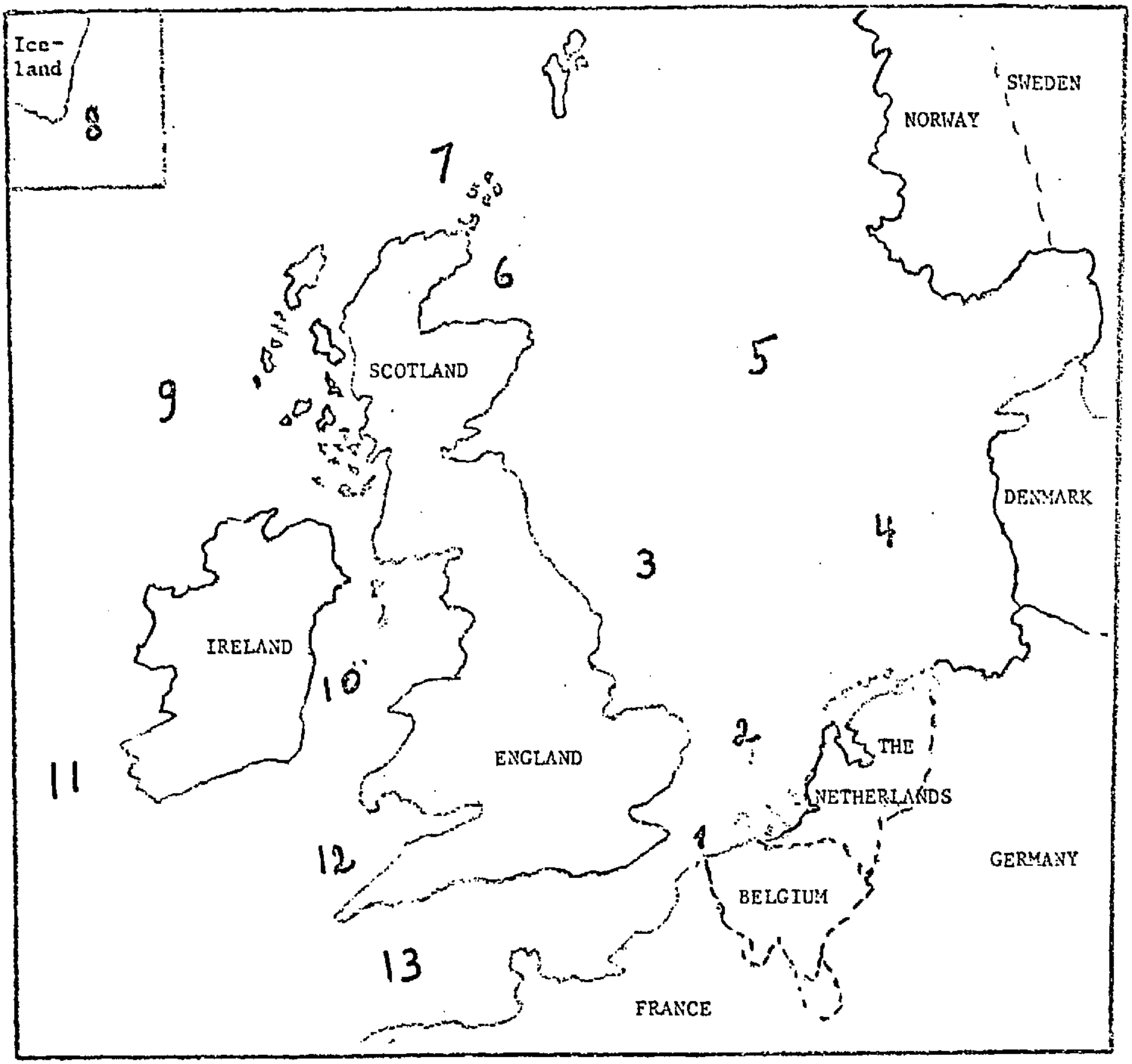
Fish processors buy directly at the fish auctions and sell onward through distributors. This is a well-established merchandising principle in Belgium. Taxation is geared to this system, with each member of the distribution chain paying value-added tax on the fish at the time of purchase which is eventually recouped from the government once the fish is sold. Inevitably, as in all EC countries, the consumer will pay the full cost of this tax at retail.

From the foregoing it is evident that Canadian shippers should not attempt to short circuit the distribution chain in Belgium, but will do better by dealing with established distributors.

APPENDICES

LIST OF APPENDICES

BELGIAN FISHING GROUNDS.



I. COASTAL WATERS
2. NORTH SEA - SOUTH
3. NORTH SEA - CENTRAL WEST
4. NORTH SEA - CENTRAL EAST
5. NORTH SEA - NORTH
6. MORAY-FIRTH
7. FLADEN
8. ICELAND
9. WEST SCOTLAND
IO. IRISH SEA
II. SOUTH AND WEST IRELAND
I2. BRISTOL CHANNEL
I3. ENGLISH CHANNEL

CUSTOMS TARIFF STRUCTURE

The Common Customs Tariff (CCT) of the EEC (which applies to goods imported into the Community from third countries, including Canada) is based on the internationally agreed system of classification of imports known as Customs Co-operation Council Nomenclature (commonly known as the Brussels Tariff Nomenclature) which is employed by approximately 75 countries throughout the world. Under this classification system, the correct tariff classification for most imports into the Community may quite readily be determined.

The CCT contains about 1000 tariff classifications which are consolidated into 21 sections and 99 chapters as well as interpretive rules. The layout of the CCT is set out in four columns. The first column indicates the tariff heading number, the second provides a description of the goods, while the third and fourth columns provide for "Autonomous" and "Conventional" rates of customs duties. Customs duties applicable to imported goods originating in countries which are Contracting Parties to the General Agreement on Tariffs and Trade (GATT), including Canada, or with which the Community has concluded agreements containing the most-favoured-nation tariff clause are the "Conventional" duties as shown in column 4. Where no "conventional" duty is shown against a heading or sub-heading, or where the conventional rate is higher than the autonomous rate shown in column 3, duty will be charged at the autonomous rate.

Customs duties in the Community are levied as either "ad valorem" or "specific" charges. Ad valorem duties are used most widely throughout the tariff and are charged on a percentage of the declared value as defined by EC regulations (see "Value for Duty" section below). In the remaining classifications where specific rates are applicable, the charge is made at so much per unit of net weight or other measure of quantity as specified.

As of July 1, 1977 the customs tariffs of Britain, Ireland and Denmark became fully aligned with the Community's Common Customs Tariff which was already in existence throughout the original member countries of the EEC.

Under the terms of preferential trade agreements between the EEC and certain Mediterranean countries and developing countries, many goods imported into the EEC from these countries are granted preferential rates of duty, either at reduced rates or duty-free.

Canadian exports to the EEC, however, do not benefit from any such arrangement.

VALUE FOR DUTY

The value to be declared on Customs entries (whether for goods free of/or exempted from duty, goods subject to a specific duty or goods subject to duty ad valorem), is the value as set out in the EC Regulations, which are based on the Customs Co-operation Councils' definition of value for customs purposes.

Briefly stated this value is the "normal" price which the goods would fetch, at the time when they are entered for home use, on sale in the open market between buyer and seller independent of each other, with delivery to the buyer at the port or place of importation, the seller bearing freight, insurance, commission and all other costs, charges and expenses incidental to the sale and the delivery (except any duty or value added tax chargeable in the Community).

When goods are imported under a contract of sale negotiated under open market conditions between buyer and seller independent of each other, their value for the purpose of duty is normally taken to be the price payable under the contract, adjusted as may be necessary to take account of the costs, charges and expenses as above. Where an amount in foreign currency has to be converted to its EEC member-state equivalent, the rate of exchange to be used is that appropriate at the time of lodgement of the Customs entry.

Under these circumstances, the invoice value may be accepted as the basis for the "normal" price. However, special price arrangements between suppliers and importers who are agents, brokers, licensees, distributors, or concessionaires, or who are business associates of the supplier are considered by the customs authorities as a departure from the "normal" price concept. In this situation the customs officials may initiate inquiries for the purpose of establishing a proper dutiable value. Increasing the agreed-upon price for duty purposes could result from such investigations.

The value for the purpose of ad valorem duty is the value as previously mentioned at the time when the goods are entered for home use. When warehoused goods are entered for home use, the value may be different from the value at the time of entry for warehousing at importation.

ANTI-DUMPING DUTIES

The EC Council of Ministers and Commission are constitutionally responsible for the application of Community anti-dumping controls. They are, however, dependent upon individual member-states for the processing of applications for invoking the regulations, submission of relevant details, requests for immediate intervention in the market place (provisional anti-dumping duty), and enforcement of Council decisions.

Under the anti-dumping regulations, national authorities are empowered to impose anti-dumping duties on imports from any country if the imports are dumped or subsidized and it would be in the Community interest to take such action, provided that they are satisfied that the dumping or subsidization is causing or threatening material injury to a Community industry or to an established industry in another GATT country which exports like goods to the Community, or that it is retarding materially the establishment of an industry in the Community.

Goods are regarded as dumped if the export price from the country of origin or export is less than the fair market price there. The fair market price is the price at which identical or comparable goods are being sold in the ordinary course of trade in the country of origin or export, but subject to any adjustments necessary to ensure that the comparison between the fair market price and the export price is effectively a comparison between the prices on two similar sales.

If, however, identical or comparable goods are not sold in the country of origin or export, or are not sold in circumstances which enable the fair market price to be determined by reference to the domestic selling price of the goods, the fair market price is to be determined by reference either to any representative price obtained for the goods when exported to another country with appropriate adjustments, or to the cost of production of the goods, with appropriate additions for administrative, selling or other costs and profit. Finally, where the system of trading in the country of origin or export is such, as a result of government monoply and control, that the fair market price cannot appropriately be determined in any of these ways, it may be determined by reference to any price obtained for identical or comparable goods exported to the Community from another country, with adjustments to ensure that the comparison is between the prices on two similar sales.

Subsidies include any bounty or subsidy given by a government or other authority on the production or export of goods, whether directly or indirectly.

There is also power to impose provisional charges if the facts so far before the authorities indicate that dumping or subsidization is taking place and is causing or threatening material injury to a Community industry. No duty can actually be levied by virtue of a provisional charge order, but security (normally a cash deposit) may be required under the order for any duty which may eventually be imposed. If a definitive duty is imposed, it may be imposed retrospectively, but only for any period during which the provisional charge was in force and its rate may not exceed that of the provisional charge. Provisional charge orders expire after three months, and as they can only be renewed for a further three months, their maximum period is six months. In the case of imports from countries which have signed the

GATT Anti-Dumping Code (including Canada), the Commission will extend provisional charge orders for six months only if exporters and importers concerned request such an extension.

Where the Commission finds evidence requiring that measures against dumping be taken, they shall inform all interested parties by publication in the Official Journal of the European Communities indicating the product, country of origin and/or export, the member state affected, the names of the exporters and of the importers.

It is open to the overseas manufacturer and exporter, as well as to the importer of the product concerned, to offer the appropriate authorities any evidence relevant to an anti-dumping application and to express objections to it. Similarly, consumers and users of the imported product may express their opinion, since the Commission finally has to determine whether the imposition of a duty is in the Community interest. The Community has no statutory power to compel any person to furnish information, but it points out that it is in the interest of all parties that a decision should only be reached in the light of a knowledge of all the relevant facts and considerations.

Representations may be made orally or in writing to the Commission. To facilitate these representations, a summary of the application is given on a confidential basis to all parties who have a bona fide interest in the case. There are no public hearings and normally no confrontation of the opposing parties.

Under the terms of the GATT Anti-Dumping, the Canadian Government (and similarly any Canadian exporter concerned) is informed when an investigation into dumping duties is being considered. It is in the interest of a Canadian exporter, on receiving such notice, to contact the Western Europe I Division for consultation and guidance in the early stages of these developments.

VALUE ADDED TAXES

Most products sold in the EEC, whether imported from abroad or manufactured domestically, are subject to a value added tax. This tax is popularly known as the TVA from the French appelation "taxe sur la valeur ajoutée", or VAT, the designation used in Britain. While all the countries in the Community have a standard method of application of VAT, the applicable rates are not harmonized and vary widely from country to country.

In most cases, there are two or three categories of rates: a standard rate, a lower rate or exemption applicable to foodstuffs or other essentials, and a higher or major rate applicable to luxury goods or non-essential articles. For example, the standard rate in Britain is 8%, exemption or nil rate is granted on certain essentials and a rate of 12.5% applies to a wide range of goods regarded as non-essential, including many household electrical appliances and cameras.

The standard rate in the other countries is as follows (as of August 1977):

France	- 20%	Denmark	- 18%
Belgium	- 18%	Germany	- 11%
Italy	- 14%	Ireland	- 20%
Luxembourg	- 10%	Netherlands	- 18%

Value added tax is assessed on the duty-paid value of imported foods.

NON-TARIFF BARRIERS

Non-tariff barriers (NTB's) may said to be measures and practices, public or private, other than a customs tariff, operated in a country, or by a common agreement in two or more countries, which have, directly or indirectly, the effect of hindering trade.

Now that tariff barriers are being lowered through trade negotiations and freer trade is being encouraged, NTB's take on much greater significance than before. For the most part outside the agricultural sector, these barriers are not imposed by the EEC but result from the application of national regulations of individual member states. However, some restrictive aspects of Community policies have the effect of distorting trade with third countries.

Some of the NTB's that affect Canadian exports into EEC markets are as follows. Other are identified elsewhere in this publication under "National Regulations".

EUROPEAN ECONOMIC COMMUNITY

A) Variable Levies:

Variable import levies are applied to many agricultural products. Calculation of the levy differs from product to product, but it generally represents the difference between the world market price and the EEC support price, plus an additional amount to ensure that Community production receives preference.

(B) Minimum Price Regulations

A minimum import, or reference, price based on EEC market prices is applied to fresh apples, cherries, peaches, pears, plums, seed corn, tomatoes and other produce. Offsetting compensatory taxes are levied on imports selling below the reference price.

C) Production Subsidies:

Production subsidies are used for the manufacture of starch, beer, casein, chemicals and pharmaceuticals, made from sugar, and olive oil used in canning. Denaturing subsidies encourage the feed use of domestic wheat and sugar. A subsidy is provided for converting skim milk powder to feed. Subsidies are paid to EEC crushers of domestic rapeseed and sunflower seed and to processors of certain oranges. Community users of Community tobacco receive premiums to offset the higher cost rather than use cheaper imports. Support payments are also made to producers of flax, hemp, cottonseed, hops, herbage seed and silk.

LABELLING, PACKING AND ADVERTISING FOODSTUFFS FOR SALE TO CONSUMER

The EC Commission presented a draft directive on the labelling, packaging and advertising of pre-packaged foodstuffs for retail sale to the Council of Ministers in May, 1976.

It is anticipated that the directive will receive approval by the end of 1977, with each member state required to amend its national legislation to comply with the directive within the year following approval. Products will be required to meet the labelling standards 24 months after approval of the directive, and trade in products which do not comply with the provisions of the regulations will be prohibited 3 years after the date of publication.

The following particulars should be noted by exporters of pre-packaged food products to the Community.

The label will be required to indicate:

A) Name under which the product is sold.
B) List of ingredients.
C) The net quantity in the package, in metric terms.
D) Date of minimum durability (shelf life).
E) Special storage conditions or methods of preparation.
F) Name and address of manufacturer or packer, or seller established in the Community.
G) Country of origin.
H) Instructions for use when purchaser would be unable to prepare contents without such instructions.

If the foodstuff has been prepared for consumption, the label must also indicate whether contents have been steamed, boiled, smoked, freeze-dried, powdered, deep-frozen or prepared in some other manner.

If this directive is adopted as presented to Council, labelling which is considered to mislead purchasers as to the origin, composition, quantity, identity, characteristics, method of manufacture or production, will be banned and the goods will not be eligible for trade.

The language used in labelling or advertising may be that of the member state to which the goods are consigned for sale, and/or any other recognized language of the community. The Commission proposes that the characters be not less than 1.5 millimetres high, and not less than 1/10th the size of the largest characters used on the label, with a maximum size of 5 millimetres high.

Until this regulation has the force of law, national labelling laws remain in effect.

AVERAGE 1977 FISH IMPORT PRICES TO BELGIUM

A. AVERAGE PRICES FOR CANADIAN FISH IMPORTS TO BELGIUM.

species	Price per kilogram Belgian Francs	Price per pound Canadian Dollars
Frozen herring	29.88	0.47
Frozen shark	39.78	0.6I
Live lobster	296.76	4.65
Frozen lobster	I55.33	2.42
Crab	249.-	3.88
Shrimp (unpeeled)	78.58	I.22
Canned salmon	III.65	I.74
Canned crab	263.59	4.II
Other canned crustaceans (lobster)	462.34	7.20
Frozen salmon	I89.-	2.94

B. AVERAGE PRICES FOR IMPORTS TO BELGIUM FROM ALL COUNTRIES.

	I977	
Species	Price per kilogram Belgian Francs	Price per Pound Canadian dollars
Fresh herring	35.23	0.55
Frozen herring	30.88	0.48
Fresh sprat	I5.3I	0.24
Frozen sprat	I5.64	0.24
Fresh mackerel	II.I6	0.I7
Frozen mackerel	I5.54	0.24
Tuna (all types)	59.3I	0.92
Fresh cod	60.09	0.94
Frozen cod	58.58	0.9I

Species	Price per kilogram Belgian Francs	Price per Pound Canadian Dollars.
Fresh haddock	44.45	0.69
Frozen haddock	48.-	0.75
Fresh plaice	36.I7	0.56
Frozen plaice	4I.79	0.65
Fresh sole	I9I.72	2.99
Frozen sole	I62.45	2.53
Fresh sardines	20.90	0.32
Frozen sardines	I9.64	0.3I
Fresh squale	59.63	0.93
Frozen squale	44.92	0.70
Frozen redfish	27.I3	0.43
Fresh redfish	7I.I6	3.52
Fresh halibut	I00.70	I.57
Frozen halibut	47.0I	0.73
Fresh saithe	I4.93	0.23
Frozen saithe	22.5I	0.35
Fresh whiting	32.46	0.5I
Frozen whiting	20.76	0.32
Fresh cod fillets	85.34	I.33
Frozen cod fillets	77.67	I.2I
Frozen saithe fillets	40.53	0.63
Frozen haddock fillets	67.66	I.05
Frozen redfish fillets	60.86	0.95
Live lobster	379.04	5.90
Crab	I78.54	2.78
Shrimp (unpeeled)	I5I.33	2.36
Shrimp (peeled)	I80.64	2.8I
Oysters	I5I.63	2.36
Frozen trout	I20.3I	I.87
Fresh salmon	202.58	3.I6
Frozen salmon	I98.93	3.I0
Fresh eel	I28.22	2.-
Frozen eel	99.64	I.55

C. AVERAGE PRICES FOR FISH LANDED IN BELGIUM.

Species	1977 Price per kilogram Belgian Francs	Price per Pound Canadian Dollars.
Haddock	26,09	0,4I
Cod	29,32	0,45
Saithe	24,03	0,37
Whiting	I8,43	0,29
Plaice	23,30	0,37
Skate	25,I7	0,39
Sole	I48,63	2,3I
Shrimp	76,7I	I,20
Norway lobster	I00,93	I,58

Conversion used :

July 1, 1978 - $ I,00 Canadian = 29.I797 Belgian francs.

Relative importance of fish product consumption by main categories

	Pourcentages moyens	
	Achats en p.c. %	Dépenses en p.c. %
	QUANTITY	VALUE
I. Produits frais		
- poissons ronds	19,0	24,4
- poisson plat	7.2	10.7
- poissons pélagiques	2,6	1,8
- crustacés et mollusques	15,2	18,8
- poissons d'eau douce	3,1	7,1
	47,1	62,8
II. Produits conservés		
- préparations et plats	11,5	9,3
- produits assimilés	0,4	0,8
- poisson en bocal	8,8	4,7
- poisson, crustacés et mollusques en boîte	25,9	18,1
- maatjes	0,8	0,7
- poissons fumés séchés	5,5	3,6
	52,9	37,2

Ministère de l'Agriculture, Institut Economique Agricole (I.E.A.)

BELGIUM

EXTERNAL TRADE IN FISH AND FISH PRODUCTS 1977 AND 1978

Quantity : tons (Product weight)
Value : 1 US$ = 32.71 B.F.

	IMPORTS			
	1977		1978*	
	Quantity	Value	Quantity	Value
Total fish and fish products (inclusive of meal)	145,844	272,030,845	139,236	273,747,070
Total (exclusive of meal)	112,129	253,987,564	105,436	255,495,070
Fresh, chilled	29,660	71,341,822	23,730	65,540,293
Frozen	19,146	20,758,086	19,950	30,510,547
Salted, dried, smoked	4,175	12,145,949	3,973	12,455,426
Shellfish (fresh, chilled, salted, dried)	35,322	72,344,695	33,560	74,515,035
Canned	23,826	69,396,912	24,223	72,473,769
Meal	33,715	18,043,381	33,800	18,252,000
Oil	-	-	-	-
Other	-	-	-	-

*Provisional figures.