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

SWEDEN

Government of Canada
Gouvernement du Canada

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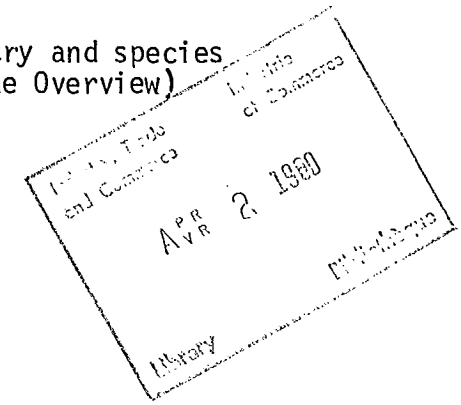
(This Report is one of a series of country and species annexes to the main study - entitled the Overview)



D R A F T

Annex to the
Worldwide Fisheries Marketing Study:
Prospects to 1985

S W E D E N [EU.11]

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

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E.W.
November, 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

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SWEDEN

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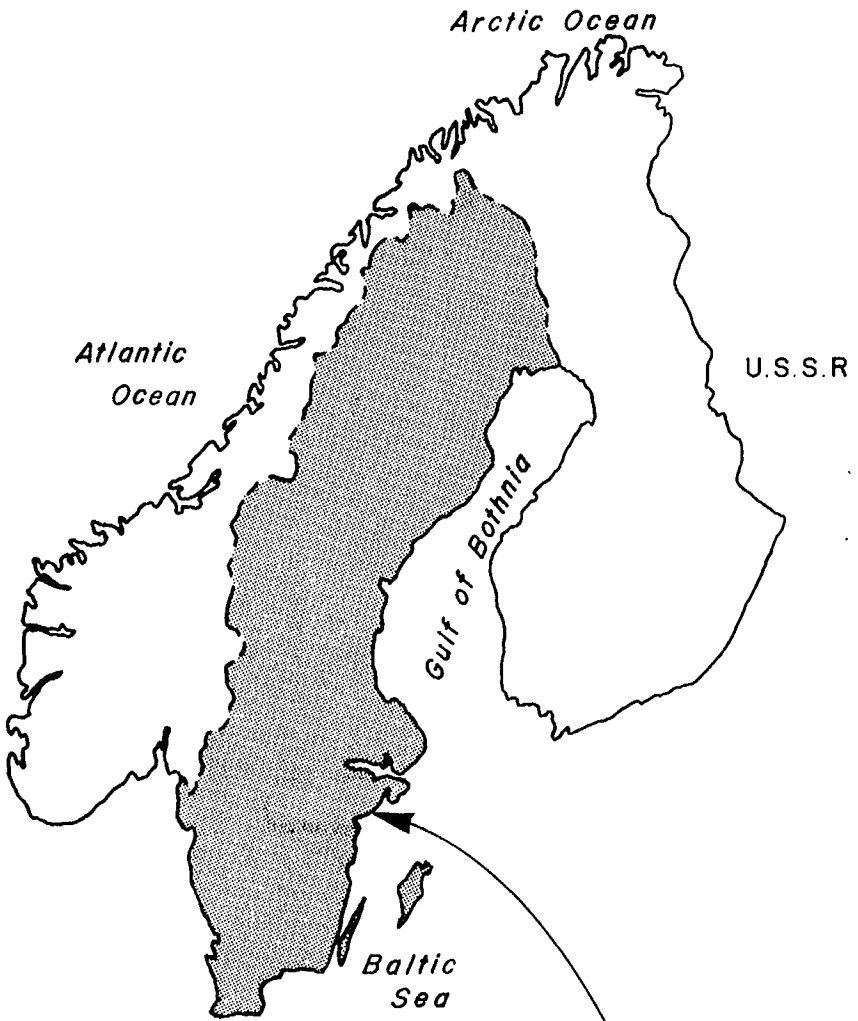
SWEDEN



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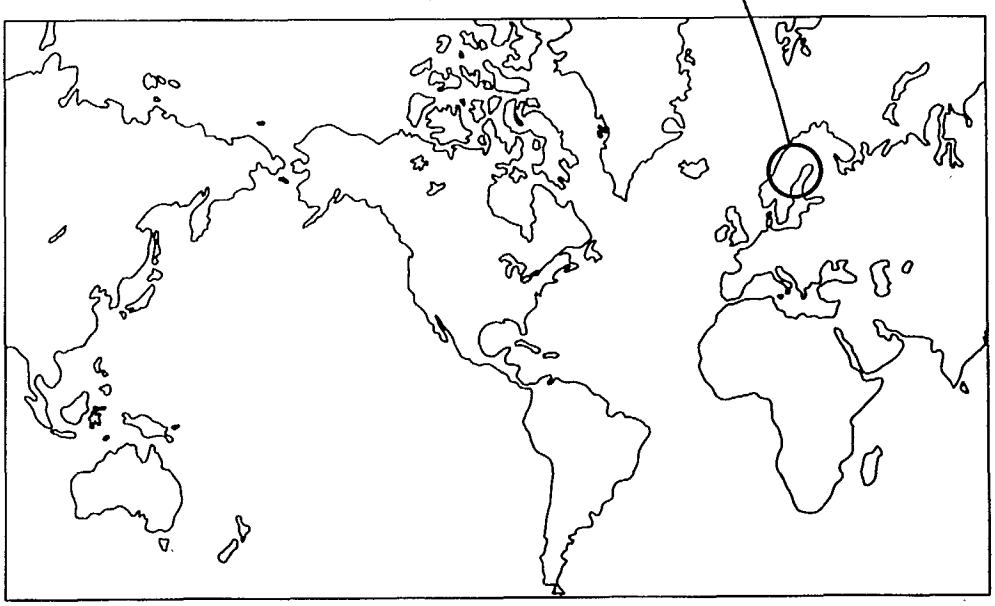

A DEMAND FOR FISH

The Swedes are large consumers of seafood on a per capita basis. In 1977, average consumption was 16.8 kg product weight or about 28 kg per person landed weight as compared to 7.1 kg per capita product weight in Canada (Table 1).

Indications are that the total Swedish consumption of seafood will remain at about the present level for the next few years (Table 2). Since meat is subsidized by the government and fish is not, any decrease in the meat subsidies should therefore make seafood a more attractive buy in the retail stores.

Institutional use of seafoods is increasing by about 2% per year. The large suppliers, such as the Co-op group, are offering a wide variety of portion-controlled seafood items, largely prepared from imported raw materials. Prepared dishes, such as crab puffs, sole aux gratin and breaded products are also becoming more popular in this relatively affluent country where a high percentage of wives are working full-time.

There has been a definite consumption trend away from fresh fish and towards frozen fillets and other processed fish products over the past 10 years. It is expected that there will be a further decline in the

TABLE 1 Sweden, Consumption of Seafood Products, kg/capita

1-7, 21 Expressed as Landed Weight; 8-20, 22-Product Weight

	1960	1965	1970	1973	1974	1975	1976	1977	1978
1 Flatfish, fresh	0.9	0.9	0.8	0.7	0.7	0.7	0.7	0.7	0.6
2 Cod family, fresh	3.5	2.7	1.9	1.7	1.5	1.4	1.1	1.1	1.1
3 Herring, fresh	4.2	3.0	2.5	2.4	2.2	2.0	1.4	1.5	1.4
4 Salmon, fresh	0.3	0.6	0.5	0.5	0.6	0.6	0.6	0.6	0.6
5 Other saltwater fish, fresh	1.2	1.2	0.6	0.7	0.8	0.7	0.8	0.8	0.8
6 Freshwater fish, fresh	1.4	1.5	1.3	1.3	1.3	1.2	1.3	1.2	1.2
7 TOTAL, fresh fish	11.5	9.9	7.6	7.3	7.1	6.6	5.9	5.9	5.7
8 Flatfish, filleted, frozen	0.2	0.3	0.5	0.4	0.3	0.4	0.4	0.4	0.4
9 Cod family, filleted, frozen	0.9	1.3	1.8	1.5	1.6	1.6	1.6	1.8	1.8
10 Other fish, filleted, frozen	0.0	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.3
11 Summary, frozen, filleted fish	1.1	1.7	2.4	2.1	2.1	2.2	2.2	2.4	2.5
12 Salted and spice-cured fish	1.9	2.0	1.6	1.2	1.1	1.0	1.1	1.0	1.0
13 Dried fish	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
14 Smoked	0.2	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.2
15 Cod roe Caviar, etc.	0.3	0.5	0.6	0.6	0.5	0.5	0.5	0.5	0.5
16 Herring preserves	1.8	1.7	2.1	2.1	2.0	1.9	1.9	1.8	1.8
17 Fish preserves, other types	0.2	0.3	0.5	0.6	0.5	0.5	0.8	0.7	0.6
18 Other processed fish (prepared fish dishes, fish balls, etc.)	0.4	0.7	1.2	1.6	1.8	1.7	1.4	1.3	1.3
19 Breaded fish fillets & fish sticks	..	..	..	..	..	..	0.7	0.8	0.8
20 Summary preserved & prepared fish	4.9	5.6	6.3	6.5	6.3	6.0	6.8	6.5	6.5
21 Shellfish, fresh & frozen	0.4	0.5	0.8	1.0	0.9	1.1	1.4	1.1	1.0
22 Shellfish, preserved or processed	0.3	0.5	0.8	0.7	0.8	0.8	0.9	0.9	0.9
CONVERTED TO LANDED WEIGHT	24.3		26.7			25.9	27.6	28.1	

the per capita consumption of fresh fish and a corresponding increase in demand for frozen fillets and convenience seafood up to 1985. The consumption of shellfish has also increased, especially peeled shrimp which rose from 0.4 kg per capita in 1960 to 1 kg/per capita in 1976.

The per capita consumption of preserved herring products has changed very little since 1960. However, since the population has expanded by about 700,000 people - or close to 10%, - between 1960 and 1977, total herring consumption has risen. In the last few years, there has been a dramatic switch in consumer preference from a variety of canned products prepared from salted herring to various products in glass jars. Product appearance can be evaluated by the consumer buying in glass jar containers. Vinegar-cured fillets are used for many of these products and increasing amounts are being produced from the Swedish-caught small herring. There has also been a considerable change in the structure of the herring processing industry: a number of small canners have closed down and a few companies, such as ABBA, FOODIA and A.B. Frans Witte, are dominating the market.

TABLE 2 - Domestic Consumption, 1977, 1981 and 1985

	1977	1981	1985
1. Per capita consumption			
a. (edible or product weight in kg)	16.8	16.7	16.5
b. (converted to landed weight)	(28.1)	(28.5)	(30.0)
2. Population, millions	8.26	8.3	8.4
3. Domestic market, tonnes edible or product weight	138,800	138,600	138,600

B. SUPPLY OF FISH

(a) Domestic Sources

Sweden, with a population of about 8.3 million and a land area of 411,000 square km has a coastline of about 2,900 km. Most of the coastline is adjacent to the Baltic and the Gulf of Bothnia, which both contain brackish water and have low productivity. As a consequence, the fishery is neither productive nor nationally important. Fauna in the Baltic is limited to eels, salmonids, some other freshwater fish and a few sea species of which cod and herring are the most common. These grow slower in Baltic waters and do not reach the same size as they do in the Atlantic. The most important fisheries are on the West Coast where most of the larger vessels operate.

Universal implementation of 200-mile economic zones, and the subsequent realignment of jurisdictions have led to important changes in Swedish fisheries. More than four-fifths of Swedish catches used to be taken in the North Sea, Skagerrak and Kattegatt, but now access to most areas is only possible through bilateral agreements with Norway and the European Community. The Swedish fishing zone was extended in January, 1978 and as a result Sweden will obtain additional fish stocks, especially from the Baltic, but these will not offset more general setbacks in ocean access.

A price regulation system together with loans and bank guarantees to the industry are part of Swedish government policy. They are aimed at promoting rationalization and increasing efficiency in the fisheries. A licensing system for fishermen is also being implemented.

The slight increases anticipated in cod and herring landings for 1981 and 1985 (Table 3) are based on Sweden's declaration of an exclusive fishing zone in a large part of the Baltic. Fishing in the North Sea, Skagerrak and Kattegatt, partly under agreements with the EC and Norway is likely to maintain the modest catch levels of other species. Sweden has been given a quota of about 20,000 tonnes of herring in the Skagerrak and Kattegatt seas and 80,000 tonnes in the Baltic for 1979. However, biologists claim that Atlantic herring stocks in the Kattegatt are now under heavy pressure and that catches will probably decline over the next few years. In 1977, 97% of Kattegatt landings consisted of herring two years old or younger. Since Baltic herring only grow to a maximum size of 8-9 inches, Swedish landings over the next two years will be almost exclusively small herring. It is unlikely that the North Sea, even if re-opened in 1981 as a limited fishery, will contribute to Swedish herring landings. By 1985, some stock recovery should have occurred, but not enough to raise Swedish landings significantly.

TABLE 3 Swedish Landings by Species, 1976, 1977 with Projected Estimates for 1981 and 1985

Metric Tons

	1976	1977	1981	1985
Cod	25,804	17,730	30,000	40,000
Haddock	3,861	2,036	4,000	5,000
Pollock	1,378	1,070	1,500	2,000
Flatfishes	1,650	1,127	1,500	2,000
Mackerel	4,431	3,602	6,000	8,000
Herring	79,819	89,738	100,000	110,000
Sprats	3,488	2,936	3,000	4,000
Other Marine fish	3,915	2,618	3,000	3,000
Salmon	623	584	600	600
Eel	935	907	900	900
Freshwater fish	2,415	1,582	1,600	2,000
Shrimp	2,530	1,860	1,800	2,000
Other Shellfish	457	375	400	400
TOTAL for human consumption	131,306	126,165	154,300	179,900
Industrial Fish (mixed species)	71,607	47,543	35,000	25,000
T O T A L	202,913	173,708	189,300	204,900

Swedish fishermen have traditionally landed considerable quantities in foreign ports, especially in Denmark. The average price received for herring in Denmark by Swedish fishermen increased from 2.82 D.Kr/kg in 1977 to 3.42 D.Kr/kg in 1978, (28¢/lb to 34¢/lb), up from 1.80 D.Kr/kg (16¢/lb) in 1975. Due to these increases in herring prices in 1977 and 1978, Swedish fishermen concentrated on herring and landed large quantities of these for food in Denmark. Consequently, Swedish cod landings decreased in 1977.

For the Swedish fishing industry, food herring and cod are the major species accounting for 62%. There is also considerable amount of herring (50% included in the category "industrial fish"). Herring landings and total landings reached a peak in 1965 with 184,000 tonnes and 357,161 tonnes respectively. Table 3 does not include freshwater fish landings, roughly estimated to amount to 10,000 tonnes, taken chiefly from inland rivers by non-commercial fishermen.

Sweden exported 26,500 tonnes of fresh Atlantic herring and 5,300 tonnes of Baltic herring in 1977. With considerably higher prices in 1978, an even greater percentage of the Baltic catch was exported. Swedish fishermen are therefore responding to the high prices in Denmark brought about by the ban on North Sea herring fishing.

TABLE 4

EXTERNAL TRADE IN FISH AND FISH PRODUCTS

1977 AND 1978

	IMPORTS				EXPORTS (1)			
	1977		1978		1977		1978	
	Quantity[5]	Value[6]	Quantity[5]	Value[6]	Quantity[5]	Value[6]	Quantity[5]	Value[6]
Total fish and fish products	172.1	980.9	182.8	1137.1	92.5	235.9	104.6	321.4
Fresh, chilled (2)	8.7	65.4	8.5	73.5	71.4	150.0	78.0	213.0
Frozen (whole)	5.2	70.2	6.6	94.3	4.1	11.6	5.3	18.5
Frozen (fillets)	23.4	224.9	24.5	268.4	0.7	6.2	1.2	10.0
Salted, dried, smoked	18.1	119.8	18.7	136.3	0.8	4.4	0.7	5.8
Canned (3)	8.0	69.6	8.5	81.7	3.7	37.1	4.4	39.6
Shellfish (live, fresh, chilled, salted, dried, frozen and canned (3)	18.2	246.8	16.2	265.2	0.7	15.6	0.9	21.8
Meal	70.5	155.8	75.4	176.7	0.8	1.9	1.1	2.0
Oil	5.2	11.2	9.7	22.4	2.9	5.3	2.5	4.6
Other (4)	14.8	17.2	14.7	18.6	7.4	3.8	10.5	6.1

Source: Swedish Agricultural Marketing Board.

(1) Including landings abroad

(2) Including fresh fillets

(3) Including semi-preserves

(4) Including fish-waste

(5) Quantity: Thousand tonnes, product weight

(6) Value: Million S.kr

(b) Foreign Sources

Total Swedish fishery imports climbed from 172,100 to 182,800 tonnes between 1977 and 1978, with the value rising from Kr.980.9 million to Kr.1,137.1 million, ($316 million).

Sweden imported 8,118 tonnes of fishery products from Canada in 1977 valued at $12,140,000. The value is expected to be considerably higher in 1979.

Since Sweden's fishing fleet will be severely limited in its catching potential, the demand for most fishery products will have to be met in the foreseeable future, by expanded imports. Although Sweden is a relatively large exporter of fresh herring, most of the cured herring used is of a type that is imported. Indications are that the Swedish market will continue to be interested in high-value products such as peeled shrimp, crab, lobster and salmon. In addition, imports of frozen filleted products for the catering and retail market are expected to increase. The large co-ops which supply a wide variety of portion-controlled seafood are interested in sales offers from Canadian exporters, since cheaper species are major inputs in their products.

C. IMPORTS OF KEY SPECIES

(i) Herring: (Sill)

Canada was the chief supplier of hard-cured herring to Sweden in 1977, and should be able to retain that place if prices remain competitive. The import prices for hard cured given in the statistics indicate that buyers were willing to pay high prices for top quality herring: 6.86 Kr/kg for Norwegian, 4.68 Kr/kg for Icelandic and 3.46 Kr/kg for Canadian in 1977. Similar differences were found in prices for spice-cured herring. The 1978 prices were, of course, considerable higher.

Canadian herring can compete with Icelandic herring if quality and yield can be improved. Herring from the North East coast of Newfoundland is considered to be the best quality for Swedish purposes.

(ii) Salmon: (Lox)

Canada and the United States are the largest suppliers of salmon to the Swedish market. Chum salmon is the biggest seller, and is used both for smoking and "graving", (lightly cured). Pink salmon has become important in the last two or three years, but imports of chinook and coho have declined because of their higher prices and unavailability. Atlantic salmon from Norway commands the highest import prices at 30Kr/kg in 1977, whereas prices for Canadian salmon averaged only 17-18 Kr/kg at that time.

Smoked salmon produced from fresh salmon retailed for 207 Kr/kg ($26/lb) in Stockholm, but for less than half that price using frozen salmon from Canada.

(iii) Cod: (Torsk)

Although the domestic industry supplies most of the fresh cod, imports chiefly from Norway and Denmark look after most of the market for frozen fillets, portions and fish sticks. Denmark supplied about two-thirds of frozen cod fillets to Sweden in 1977.

(iv) Haddock: (Kolja)

Only 914 tonnes of frozen fillets were imported in 1977, with 70% coming from Norway and the rest from Denmark. The import price from Norway was 10.85 Kr/kg compared to 10.14 Kr/kg for cod fillets from Denmark.

(v) Turbot: (Greenland Halibut - Lilla Helgeflundra)

Turbot must not be confused with the European turbot (Piggvar, Psetta maximus). Although no separate statistics are available, a few tons of Greenland turbot fillets are imported into Sweden and are offered to the public by large institutional suppliers.

(vi) Pollock: (Grosej)

Of about 1,800 tonnes of frozen fillets imported in 1977, 70% came from Norway. This market share is not expected to change.

(vii) Hake: (Kummel)

A total of 296 tonnes of frozen fillets was imported in 1977 with 255 coming from Argentina, chiefly for market evaluation.

(viii) Halibut: (Helgeflundra)

Of about 400 tonnes imported fresh or frozen, nine tonnes of frozen fillets came from Canada.

(ix) Flatfish: (Plattfisk)

Various types of flatfish such as European plaice, Lemon sole, American plaice, witch, dab and European flounder are popular in Sweden. Canada exported about 29 tonnes of grey sole (witch) in 1977.

(x) Mackerel: (Makrill)

Considerable quantities of canned mackerel in tomato sauce are imported from Denmark. Some frozen whole and mackerel fillets are shipped by Norway, Denmark and Great Britain.

D. IMPORT POTENTIAL

(i) Herring: (Sill)

Swedish fish import results for 1977 and projections for this trade to 1981 and 1985 are shown in Table 5.

Swedish processors have changed to herring products packed in glass jars, using vinegar-cured fillets as the raw material for many of the products. Since practically

TABLE 5. Swedish Import Market Projections, 1981 and 1985

(Metric Tons, Product Weight)

	1977		1981		1985	
	TOTAL	FROM CANADA	TOTAL	FROM CANADA	TOTAL	FROM CANADA
1. COD						
Frozen, round or dressed	99	0				
Frozen fillets	10,216	0	15,000	2,000	25,000	5,000
Fish sticks, breaded portions, etc. from gadoids	5,326	0	7,000		12,000	
2. HADDOCK						
Frozen fillets	914	0	1,500	200	3,000	500
3. REDFISH						
Frozen fillets	61	0	200	100	500	200
4. GREENLAND TURBOT	N.A.		500	100	1,000	300
5. HALIBUT						
Frozen round or dressed	144	0	200	0	200	0
Frozen fillets	140	9	200	0	200	0
6. POLLOCK						
Frozen fillets	1,814	0	2,000	0	3,000	200
7. HAKE						
Frozen Fillets	296	0	500	0	1,000	0
8. FLATFISH						
Frozen, round or dressed	141	0	150	0	200	0
Frozen fillets	3,502	29	4,000	100	5,000	300
Other (fresh)	3,088	0				
9. HERRING						
Cured, pickled, etc.	13,097	4,939	13,000	5,000	11,000	4,000
10. MACKEREL						
Frozen, round	730	0				
Frozen fillets	486	0	800		1,500	
Canned	1,746	0	2,000	100	3,000	200
11. SALMON						
Frozen, round	3,338	1,404	4,500	2,300	6,000	3,500
Cured, pickled, etc.	22	21				
Canned	12	5	20	10	30	15
Fresh	325					
12. OTHER FRESHWATER FISH						
Frozen round	706	395	900	500	1,100	600

TABLE 5. - Continued

	1977		1981		1985	
	TOTAL	FROM CANADA	TOTAL	FROM CANADA	TOTAL	FROM CANADA
13. LOBSTER						
In shell - frozen	126	122	150	140	200	180
Canned	49	42	70	50	100	80
14. CRABS						
Meat, frozen	496	147	600	180	800	250
Canned	466	147	550	180	700	250
15. SHRIMP						
Cooked, in shell, frozen	6,695	0	7,500	0		
Cooked, peeled, frozen	3,943	118	4,600	400	6,000	700
Canned	346	0				
16. OTHER SHELLFISH						
Canned Mussels	1,826	0				
17. FISH ROE						
Frozen	809	19	1,000	200	1,500	250
Other roe (sugar salted etc.)	2,592	10	3,000	100	4,000	200

no large herring are landed in the Scandinavian countries, most of these fillets are very small by Canadian standards. It should therefore be possible to increase exports of vinegar-cured fillets to Sweden if correctly sized.

However, exporters must be sensitive to transportation problems. One Swedish importer who purchased 2,000 barrels of herring from Canada complained of extensive bruising and ragged fillets in the shipment.

Plastic barrels can be used for vinegar-cured products, but some importers are not happy about their use for hard-cured or spice-cured herring. ABBA and FOODIA, two large Swedish distributors, store barrelled herring in large caves. They claim that plastic barrels cannot be stacked high enough to take full advantage of this unique, temperature-controlled storage area.

(ii) Salmon: (Lox)

Increasing competition is being generated by farmed Norwegian salmon and rainbow trout, but this should not severely affect lower-priced Canadian salmon for several years. Imports from Canada increased from 1,408 to 1,913 tonnes while the value jumped from 23.4 to 33.9 million kr. between 1977 and 1978.

Canned salmon is only moderately popular in Sweden since consumers apparently object to the presence of skin

and bones in the cans. However, canned salmon from various countries is available in retail stores, but Canada supplied only about five tonnes in 1977. Market study of Swedish canned seafood consumption could pay handsome rewards in the long-run.

(iii) Shellfish

* Lobster: (Hummer)

Canada is by far the most important supplier of lobster to the Swedish market accounting for 97% of whole frozen lobsters. Whole-cooked, frozen-in-brine lobsters, minimum size 350 grams, have been successfully marketed over the past year or two. Large quantities of canned lobsters, both hot and cold pack, have been well-received as well. This market suggests considerable Canadian potential.

* Crab: (Krabbor)

Canada supplied substantial quantities of canned and frozen snow crab to Sweden in 1977. Several importers are looking for expanded supplies of quality crab meat, and the outlook is good for the near future.

* Shrimp: (Rakor)

The consumption of cooked and peeled deep sea pink shrimp (Pandalus borealis) is rising

rapidly. Imports increased by 260 tonnes between 1977 and 1978. Much of this demand accrued to Canadian shrimp suppliers, whose exports to Sweden more than doubled to reach 289 tonnes. The outlook remains good for the next few years.

Nevertheless, processors should ship only quality products since importers say there have been instances of high bacterial count and off-flavors in Canadian shrimp. The food service industry prefers the individually quick frozen (IQF) product, while processors will accept block frozen shrimp.

(iv) Cod: (Torsk)

Swedish fresh cod requirements are likely to be covered by the Swedish fishing fleet and processing industry. In 1977 Swedish catch was about 18,000 tonnes of which 2,000 tonnes was exported in the round form, leaving a domestic disappearance of about 16,000 tonnes.

Assuming a possible decline in cod stocks off Norway and no appreciable increase in the North Sea, Canada could partly fill the expected increases in consumption of frozen cod fillets. If Canadian prices remain competitive as a result of the devalued dollar, Swedish caterers would look to Canada for supplies for their expanding operations. They are especially interested

in IQF or large-pack skinless and boneless fillets. In 1977, the unit values of cod fillet imports from Norway were 10.14 Kr/kg and from Denmark 8.89 Kr/kg; a range of $3.19 to $3.67 per kg.

(v) Redfish: (Kungsfisk, Rödfisk, Uer)

Canadian suppliers could create a market here since large Swedish institutional suppliers are offering boneless, skinless IQF fillets to their customers. Only 61 tonnes of frozen fillets were imported in 1977, but there is interest in expanding this trade.

(vi) Haddock: (Kolja)

Although only small quantities have been imported to date, Swedish importers and caterers are interested in supplies of haddock fillets if Canadian prices are competitive.

(vii) Turbot: (Lilla Helgeflundra)

There is interest in imports from Canada if prices and quality are competitive. However the market overall is thin.

(viii) Flatfish: (Plattfisk)

Although only small quantities have been purchased from Canada, importers are pleased and are interested in future supplies.

(ix) Mackerel: (Makrill)

Interest has been shown in Canadian offerings, especially of canned mackerel in tomato sauce, both cutlets and tidbits.

(x) Other Freshwater Fish:

In 1977 Canada shipped 252 tonnes of freshwater species to Sweden, including lake trout and whitefish, which were used mostly for smoking. Swedish importers are interested in larger quantities, and the outlook is for a modest increase in volume up to 1981, and probably beyond.

Sweden imported 167 tonnes of round, frozen eels in 1977 with 143 tonnes coming from Canada. Only the supply situation in Canada appears to limit further expansion of this market.

(xi) Fish Roe:

Canada supplied only 29 tonnes of the 2,400 tonnes Swedish import market in 1977. Importers are looking for supplies of sugar-salted and frozen cod roe, salted lumpfish roe and are also interested in other species. Canada should be able to produce much larger quantities of cod roe since it is usually discarded with the fish guts on board trawlers.

E. MARKETING PROBLEMS

A common complaint about Canadian cured herring is its low yield. Most Canadian herring are fall spawners and therefore have roe and milt. Norwegian and Icelandic herring are mainly spring spawners and therefore have a fillet yield of as much as 10-15% higher; up to 60% yield from headless nobbed vs. 45% from Canadian herring. Canadian processors should therefore consider shipping more cured fillets when this is acceptable to the buyers. Other complaints include extensive bruising to herring caused by careless pumping of live fish.

Sweden is a high-value market in which first-class products are demanded at premium prices. General upgrading of Canadian exports, with careful attention to sizing, handling, and packing are necessary to enlarge our share of Swedish fish imports.

F. TRADE PRACTICES

I. Import Regulations and Fees

a. Customs Duties

Customs duties on imports to Sweden are applicable only to certain canned and processed fishery products as shown in Table 6. However, most seafood products

Table 6 - Customs Duties - Sweden

STATISTICAL NUMBER		DESCRIPTION OF GOODS		DUTY IN KRONOR OR AD VALOREM
HEADING NUMBER	CODE NUMBER			
16.03	000	Meat extracts and meat juices; fish extracts		Free
16.04		Prepared or preserved fish, including caviar and caviar substitutes: Seasoned fish, whole or in pieces, whether or not simply salted or sweet-salted (other than in airtight containers for sale by retail): - Clupeidae: - - Sprats and anchovies:		
	591	- - - In packings of a net weight of 45 kg or more		Free
	592	- - - Other	per 100 kg▲	25 00 E■ U
	401	- - Iceland herring (a)		Free
	402	- - Large herring and spring herring (a)		Free
	593	- - Baltic herring *(strömming)* (a)		Free
	409	- - Other clupeidae (a)		Free
	594	- Other		Free
	403	Fish simply prepared with salt or vinegar, in packings of a net weight of 45 kg or more (a)		Free
		Other fish, whole or in pieces: - In airtight containers: - - Clupeidae:		
	110	- - - Preserved sardines	per 100 kg▲	15 00 E■ U
	150	- - - Preserved anchovies	per 100 kg▲	25 00 E■ U
	240	- - - *Gaffelbitar* and similar preserves	per 100 kg▲	40 00 E■ U
	208	- - - Other	per 100 kg▲	40 00 E■ U
	320	- - Jellied salmon	per 100 kg▲	25 00 E■ U
	330	- - Mackerel	per 100 kg▲	40 00 E■ U
	391	- - Tunny	per 100 kg▲	15 00 E■ U
	392	- - Coal-fish, smoked and coloured	per 100 kg▲	40 00 E■ U
	399	- - Other	per 100 kg▲	40 00 E■ U
		- Other:		
	595	- - Jellied salmon	per 100 kg▲	25 00 E■ U
	596	- - Tunny	per 100 kg▲	15 00 E■ U
	597	- - Coal-fish, smoked and coloured	per 100 kg▲	40 00 E■ U
	598	- - *Lutefisk*	per 100 kg▲	40 00 E■ U
		- - Other: - - - Frozen:		
	511	- - - - Fish fillets, fish sticks and similar products, covered with breadcrumbs, whether or not fried	per 100 kg▲	40 00 E■ U
	519	- - - - Other	per 100 kg▲	40 00 E■ U
	599	- - - Other	per 100 kg▲	40 00 E■ U
		Fish eggs:		
	601	- Sturgeon's eggs	per 100 kg	750 00 E■ U
		- Other:		
	605	- - In packings of a net weight of 45 kg or more		Free
	609	- - Other	per 100 kg	65 00 E■ U
		Other fish products: - In airtight containers:		
	701	- - Fish-balls	per 100 kg▲	40 00 E■ U
	709	- - Other	per 100 kg▲	40 00 E■ U
	800	- Frozen	per 100 kg▲	40 00 E■ U
	900	- Other	per 100 kg▲	40 00 E■ U
16.05		Crustaceans and molluscs, prepared or preserved: In airtight containers:		
	110	- Shrimps (a)	per 100 kg▲	40 00 E■
	120	- Crabs	per 100 kg▲	40 00 E■ U
	191	- Lobsters	per 100 kg▲	40 00 E■ U
	192	- Oysters	per 100 kg▲	60 00 E■ U
	193	- Mussels	per 100 kg▲	40 00 E■ U
	199	- Other	per 100 kg▲	40 00 E■ U
(16.05)		Other:		
	210	- Shrimps (a)	per 100 kg▲	40 00 E■
	291	- Oysters	per 100 kg▲	60 00 E■ U
	299	- Other	per 100 kg▲	40 00 E■ U

▲ Duty shall be computed on the weight of the goods together with that of the packings in which the goods concerned are normally sold by retail.

■ Not applicable in respect of the Faroe Islands.

(a) See Annex I at the end of the Tariff.

are also charged import levies and price regulation fees which are used to create funds for the Swedish system of price regulation.

b. Imports Levies

Import levies are charged on most types of fillets, whether fresh or frozen as shown in Table 7. These values apply to imports from Canada and other countries which are not members of EC or EFTA. The introduction of an import levy on salmon is being discussed, but no decision had been made by Spring, 1979. The levies on frozen fillets amount to about 5.4 cents per pound.

c. Price Regulation Fees

Price regulation fees apply to several kinds of fish landed in Sweden by Swedish fishermen as well as to imported fish. These fees are charged on imported fresh and frozen saltwater fish, cured and spiced herring and shrimp.

d. Value Added Tax (Moms)

In Sweden there is a value-added tax which is applicable to all sales of domestic and consumer goods and services. Exported goods are exempt from the tax, called Moms, which amount to 20.63%.

e. Import Licenses

Import licenses are required for a number of products. They are:

1. Chilled or frozen, whole cleaned or cut cod and herring
2. Frozen, whole, cleaned or cut herring

TABLE 7

IMPORT LEVIES AND PRICE REGULATION FEES (AS OF AUGUST 1978)

1) Import Levies - Imposed on fillets of saithe (pollock), haddock, redfish, cod and whiting with the origin of:

	Fresh Fillets	Frozen Fillets
EFTA countries	Kr. 25/100 kg	nil
EEC countries	Kr. 45/100 kg	nil
Other countries	Kr. 45/100 kg	Kr. 45/100 kg

2) Price Regulation Fees

a) Fish Caught in Sweden:	Fee
South Coast: herring, cod, garfish, flounder, plaice	3% of purchase price
West Coast: all kinds, except sprat, capelin, ling	3% of purchase price

b) Imported fish:	
Fresh and frozen saltwater fish	3% of import value
Herring, salted, sugar-cured, spiced	0.2% of import value
Shrimp, boiled, with shell	Kr. 40/100 kg
Shrimp, unboiled, with shell	Kr. 20/100 kg
Shrimp, other	Kr. 66/100 kg

3. Fresh or chilled, filleted herring and mackerel
4. Frozen, filleted cod, haddock, hake
5. Fish roe, except cod roe
6. Salted fish, herring, other than large, spring and Icelandic herring; dried roe except cod roe, dried ling
7. Shellfish, frozen cooked shell-on-shrimp

There are no quantitative restrictions on these import licenses and they normally do not constitute any obstacles to trade with Sweden. They are usually handled by importers and customers and should not concern Canadian exporters.

To simplify imports there is also a system of so-called general import licenses covering some seafood items, meaning that goods falling in this category may be imported without an application for an import license provided that: a) the fish product is purchased by the importer on firm account and: b) that it is not brought into the country through direct landings. There are at present no import quotas governing the importation of seafood, Furthermore, there is no exchange control.

f. Labelling Requirements

Most prepackaged fish products which are offered for sale to the customer in Sweden must clearly and unambiguously show the following information:

1. kind of food
2. composition of the food
3. net weight or net volume of the food at the time of packing in metric measure
4. storage instructions if the method is of importance to the shelf life of the food
5. estimated shelf life, if limited
6. name or firm of the packer or producer as well as domicile, or if the name is generally know in Sweden, only the name, the firm, or its abbreviation
7. other information of importance to the consumer prescribed by the government.

Regulations do not apply to prepackaged food weighing less than 25 gm or more than 25 kg.

Complete information regarding labelling is available from:

National Food Administration
(Statens livmedelsverk)
Food Standards Division
Box 622
S-751 26 Uppsala
SWEDEN

Phone: 18-152200

Telex: 76135 LSTCUP S

g. Health Regulations

The Swedish health authorities have stringent regulations which all foods pass before entering the country. These regulations pertain to such things as food additives and composition. Canadian exported fish and fish products are usually well within the maximum tolerance level required for entry into Sweden. The maximum permitted level for mercury is 1 mg/kg as compared to 0.5 mg/kg in Canada.

II. Trade Structure and Distribution Channels

a. Retailers

The retail trade in Sweden is dominated by private companies. The private retailers account for 66.4% of the total retail sales in Sweden. The consumer cooperatives have 17.8% of the market, the multiples have 14.2%, and the mail order trade has 1.6%.

The consumer cooperative sector is almost completely dominated by KF stores, operating under the names of Obs, Domus or Konsum. The private retail trade has several large voluntary chains which account for over half the total sales in that sector. These chains: ICA (equivalent to I.G.A. in Canada),

Vivo and Favor have stores all over the country. The stores are owned by independent businesses who in theory are free to purchase from whoever they want. In practice the stores usually buy from one supplier. ICA retailers purchase through their own wholesaling facilities while Vivo and Favor deal with Dagab.

The multiple sector is comprised of companies which own 25 stores or more. NK Oh, Metro and Martin Olsson are the largest retailers in this particular area. They have more freedom in their buying decisions although many of the stores do buy from ICA or Dagab wholesalers.

Fresh fish is distributed to the retail stores in quite a different fashion than frozen or prepared fish. The retail stores tend to buy their fresh fish supplies directly from the fishermen or fishermen's cooperatives. On the West Coast of Sweden much of the fresh fish is sold at auctions.

b. Wholesalers

There are two large fish wholesaling groups in Sweden. The Swedish Fish Wholesalers Association is based in Gothenburg and has some 42 members. There is also a smaller group of wholesalers who have their headquarters in Stockholm. This group, the National Federation of Swedish Fish Wholesalers has a membership

of 14. The National Federation of Swedish Fish Wholesalers is part of the Federation of Swedish Wholesalers and Importers which is Sweden's largest wholesaling and importing organization. Both the Swedish Fish Wholesalers Association and the National Federation of Swedish Fish Wholesalers are comprised of independent wholesalers. These two groups deal mainly in fresh fish and receive most of their supply from local fishermen. Some of the members of these two wholesaling organizations have some processing capabilities of their own.

Most of the frozen and prepared fish is wholesaled by the large retail chains. In recent years there has been a general tendency for retailers to integrate backwards, taking over the wholesaling function themselves. Many of the smaller independent retail outlets have been disappearing in recent years and have been replaced by larger retail stores and associated chains. This tendency has enable the retailers to effectively perform many of the wholesaling activities.

c. Importers

There are very few firms in Sweden which are solely fish importers. Most of the companies which import fish into Sweden are also engaged in some other activity along the distribution chain. Commission agents frequently act as importers when they purchase foreign fish products for

their own account. Wholesalers also import some fish products which they in turn distribute to the retail stores. The large retail chains also import fish products. For the retailer this sort of direct importing activity is limited to established, well-known volume products.

d. Agents

Although agents are still used by many people involved in the fish trade in Sweden, their importance has declined somewhat in recent years. This has been mainly due to the tremendous restructuring which has occurred in the Swedish retail trade. Many of the larger retail chains handle their own importing and wholesaling. This has severely restricted the area in which the agent can operate. Although agents still may sell some products to the larger chains, they now depend mainly on the smaller independent stores and the smaller processors for their sales.

Agents are mainly used in the areas of canned or packaged fish products. For frozen fish, the role of the agent is not as important, although some companies still choose to use them. A good agent can assist in developing the market and generally be of service to Canadian exporters.

e. Methods of Payment

In Sweden two accepted modes of payment are generally used. The local companies usually prefer paying cash against documents, but letter of credit terms can sometimes be used.

Canadian manufacturers generally prefer to use the letter of credit terms for the first few shipments to a new buyer. But after those initial shipments, the parties concerned usually opt for the cash against documents agreements.