29 - 31 OCT 2019

DUBAI WORLD TRADE CENTRE

Global Seafood Landscape

Seafood Industry - At a Glance

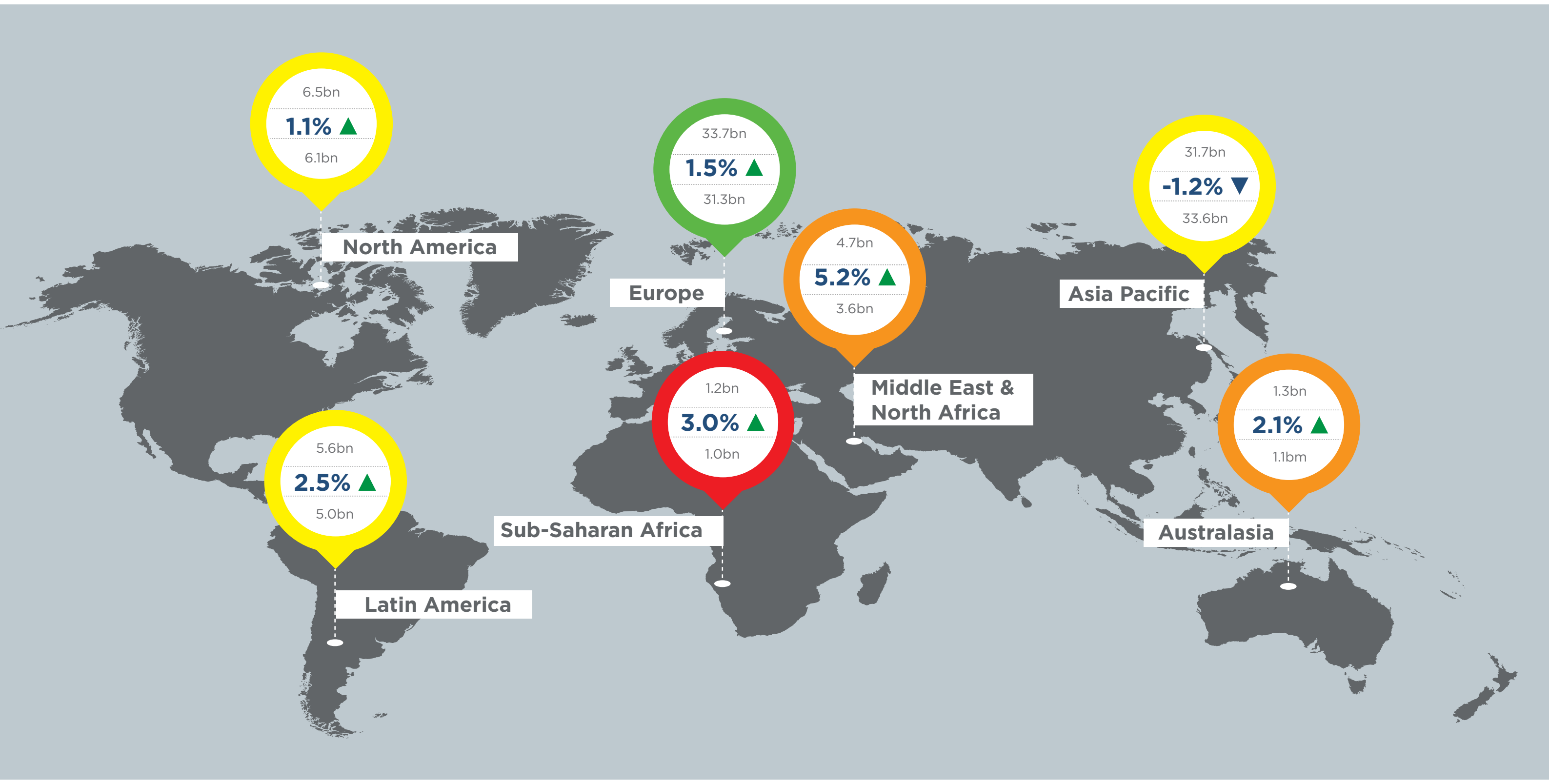
	Asia Pacific	Australasia	Europe	Latin America	Middle East & North Africa	North America	Sub-Saharan Africa
Consumer spending on Seafood as % of total F&B	1.1%	1.2%	2.1%	0.7%	0.8%	0.7%	0.3%
Key growth markets for Seafood (2013-2018)	Thailand Indonesia Philippines China	New Zealand Australia	Serbia Austria Poland Czech Republic Ireland Finland Norway	Argentina Mexico Costa Rica Chile	Turkey Morocco Algeria UAE Egypt	Canada	Ghana Congo South Africa
Key Seafood sub-categories*	Processed seafood (100%)	Processed seafood (100%)	Processed seafood (100%)	Processed seafood (100%)	Processed seafood (100%)	Processed seafood (100%)	Processed seafood (100%)
Seafood key channels**	Supermarkets/ Hypermarkets (0.1% CAGR) Others (-2.4% CAGR)	Supermarkets/ Hypermarkets (-0.9% CAGR) Discounters (8.1% CAGR)	Supermarkets/ Hypermarkets (1.1% CAGR) Discounters (1.5% CAGR)	Supermarkets/ Hypermarkets (-3.7% CAGR) Traditional Grocery Retailers (-7.6% CAGR)	Supermarkets/ Hypermarkets (6.1% CAGR) Traditional Grocery Retailers (-2.4% CAGR)	Supermarkets/ Hypermarkets (-0.7% CAGR) Traditional Grocery Retailers (-1.2% CAGR)	Supermar-kets/Hyper-markets (1.8% CAGR) Traditional Grocery Re-tailers (2.5% CAGR)
Seafood fastest growth channels (CAGR 2013-18)	Discounters (27.6% CAGR) Internet Retailing (4.3% CAGR)	Internet Re-tailing (13.6% CAGR) Discounters (8.1% CAGR)	Internet Re-tailing (9.6% CAGR) Convenience Stores and Forecourt Retailers (1.9% CAGR)	Internet Re-tailing (15.9% CAGR) Others (3.9% CAGR)	Internet Re-tailing (42.5% CAGR) Discounters (8.6% CAGR)	Internet Re-tailing (26.4% CAGR) Discounters (1.4% CAGR)	Internet Retail-ing (7.4% CAGR) Discounters (5.3% CAGR)
Seafood slowest growth channels (CAGR 2013-18)	Others (-2.4% CAGR) Supermarkets/ Hypermarkets (0.1% CAGR)	Convenience Stores and Forecourt Retailers (-3.0% CAGR) Supermarkets/ Hypermarkets (-0.9% CAGR)	Traditional Grocery Retailers (-7.3% CAGR) Others (-3.7% CAGR)	Traditional Grocery Retailers (-7.6% CAGR) Supermarkets/ Hypermarkets (-3.7%)	Traditional Gro-cery Retailers (2.4% CAGR) Supermarkets/ Hypermarkets (6.1% CAGR)	Others (-1.7% CAGR) Traditional Gro-cery Retailers (-1.2% CAGR)	Supermar-kets/Hyper-markets (1.8% CAGR) Convenience Stores and Forecourt Retailers (2.0% CAGR)

Market Size and Potential

Moderating value growth expected despite strong demand to 2021

The total market size for Seafood globally stood at US$81.9 billion in 2018. Value sales witnessed a CAGR decline of -0.4% between 2013-2018, but the market is expected to recover slightly over 2018-2023, recording a positive CAGR of 0.7%.

Exhibit 31 - Regional Seafood Market Size in 2018, 2023 & CAGR 2018-2023 US$ billion



Key: Inner circles indicate the Seafood market size in 2018, outer circles indicate market size in 2023
The distance between the inner and outer circles indicates the size of the absolute growth

The colour of the circles indicate the growth rate ● Fast ● Moderate ● Slow ● Static

Source: Euromonitor International analysis from Passport

Regional Performance

Globally, Asia Pacific was the largest market for Seafood at US$33.6 billion in 2018, followed by Europe at US$31.4 billion. Asia-Pacific witnessed a marginal decline over 2013-2018 (-0.6% CAGR) and value sales are expected to decline further over 2018-2023 (-1.2% CAGR), mainly due to declining sales of chilled processed seafood in Japan, the largest market in the region. However, sales are poised to rise in other parts of the region over 2018-2023, owing to the convenience of processed seafood products.

Overall, growth in the forecast period is expected to be driven by regions such as Middle East and North Africa and Sub-Saharan Africa which are expected to witness a CAGR of 5.2% and 3.0% respectively.

Sales in Middle East and North Africa have been stimulated by demand for products that offer practicality, taste and nutrition. Consumers in North Africa tend to purchase processed seafood as a staple item, and this trend is expected to remain strong over the forecast period.

Sub-Saharan Africa, the smallest global Seafood market, is the second fastest growing region. Growth in this region is attributable to the increase in shelf-stable seafood, which is preferred over fresh fish by lower-middle-income groups due to its relative affordability and lack of required refrigeration.

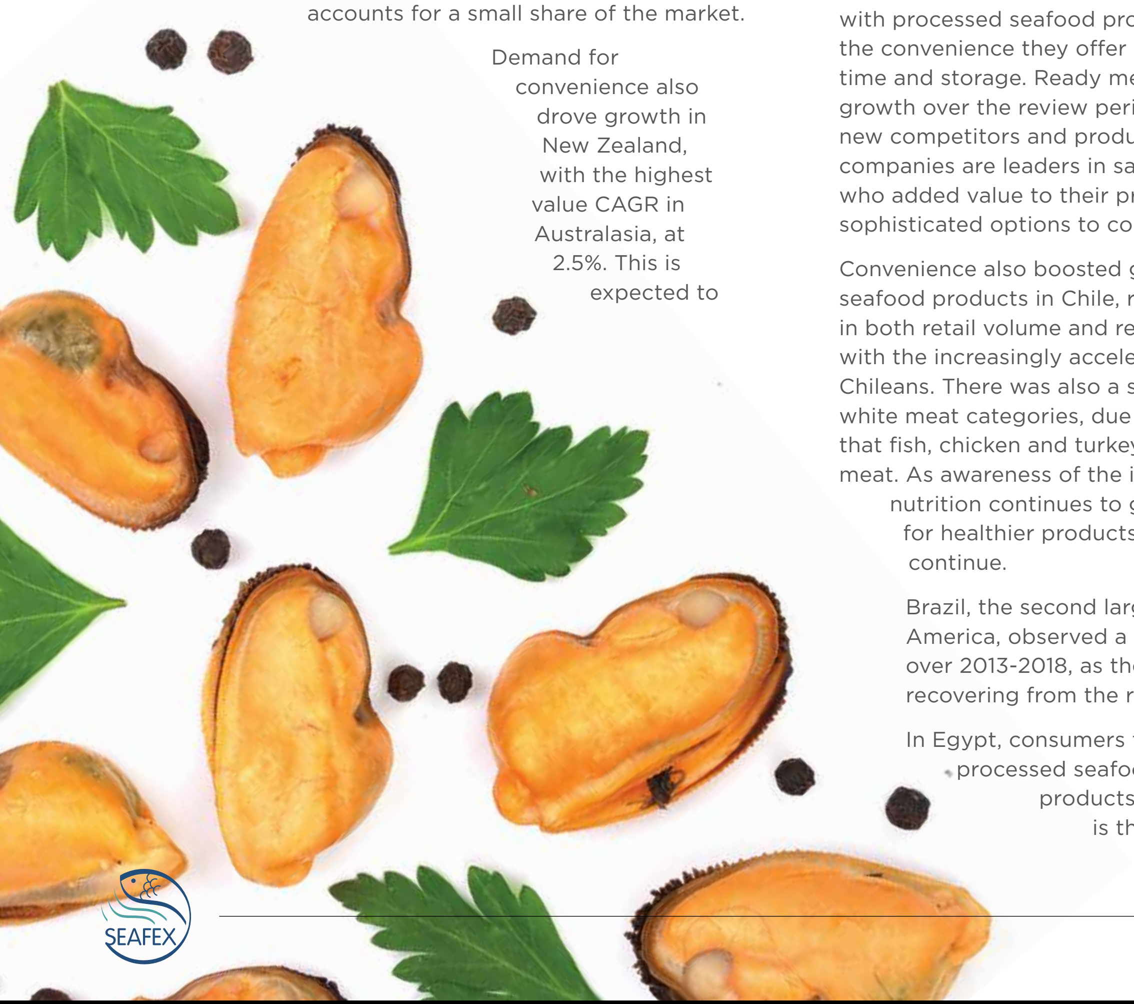
Historically however, Latin America, is the slowest growing region, with a CAGR decline of -4.1% between 2013-2018. Venezuela, the market leader in this region in 2013, has seen a massive decline in sales since, as branded processed seafood was not able to compete with black-market imports due to their higher pricing, which led some brands exiting the market. However, retailers' preference for pre-packaged products has driven growth in processed seafood in other parts of the region, and it is anticipated to continue to benefit from this trend over the forecast period.

Country Snapshots

Processed seafood product options have steadily expanded in the Philippines and Indonesia, as companies exploit growing consumer desire for convenience and affordability. Demand for the category is expected to grow, as processed seafood shortens meal preparation time, which strongly attracts busy urban dwellers, as well as those with limited cooking skills. Furthermore, items such as canned tuna are actively promoted by key brands as a health food in the Philippines, and recorded the fastest growth in value terms in 2018. In the same year, modern retailers allocated more shelf space to shelf-stable seafood in Indonesia. More products were also available in smaller packaging, highlighting the shift towards portion control and ease of consumption.

China, the second largest market in Asia-Pacific, witnessed growth with a value CAGR of 5.5%. Meanwhile, India recorded a sharp value CAGR of 18.1%, but this was from a low base as it still only accounts for a small share of the market.

Demand for convenience also drove growth in New Zealand, with the highest value CAGR in Australasia, at 2.5%. This is expected to remain a key driver over the forecast period. Premiumisation trends have also influenced new product development activity.



In Norway, an unusually warm spring and summer drove sales of barbeque foods, including seafood options, in 2018. In the previous year, the Norwegian Directorate of Health published a report, which outlined the need to promote the consumption of fish and seafood. Government initiatives regarding food tend to be successful in Norway as health authorities are well respected. Hence, long-term consumption patterns are likely to be impacted by these initiatives, and processed seafood is expected to outperform processed meat, partly due to a high degree of product innovation at the end of the review period creating healthier seafood-based dishes.

In Poland, recent consumer awareness regarding shelf-stable seafood began to grow due to healthier lifestyles. This resulted in rising demand for better-quality products in oil. Consumer awareness continues to develop, and a move from lower quality to higher-quality products with slightly higher prices is expected over the next five years.

Russia, the market leader in Europe, saw a decline in CAGR terms of -0.6%. However, processed seafood is predicted to recover slightly over the forecast period.

In Latin America, Mexico is the largest market, with processed seafood products growing due to the convenience they offer with regard to cooking time and storage. Ready meals witnessed dynamic growth over the review period, with the entry of new competitors and products. Many of these companies are leaders in sales of processed seafood, who added value to their products by offering more sophisticated options to consumers.

Convenience also boosted growth of processed seafood products in Chile, recording a high increase in both retail volume and retail value terms, is in line with the increasingly accelerated pace of life among Chileans. There was also a significant development in white meat categories, due to consumer perception that fish, chicken and turkey are healthier than red meat. As awareness of the importance of healthy nutrition continues to grow in Chile, demand for healthier products can be expected to continue.

Brazil, the second largest market in Latin America, observed a CAGR decline of -1.2% over 2013-2018, as the economy was slow in recovering from the recession.

In Egypt, consumers tend to prefer buying processed seafood compared to fresh products, as it is cheaper. Tuna is the bestseller in shelf-stable processed seafood, as it does not have an alternative. Growing retail modernisation and the increasing convenience trend continue to drive growth in Algeria. More women are participating in the workforce, and as such are opting for quick meal solutions. As a result, demand for processed seafood is expected to remain strong over the forecast period. Iran, the market leader in the Middle East, also observed value sales growth, with a CAGR of 3.1% over 2013-2018.

Consumers in South Africa, the market leader in Sub-Saharan Africa, choose shelf-stable fish products because they are much cheaper than fresh fish. This trend will continue and contribute to the growth of these products over the forecast period.

Processed seafood sales in Canada increased in value terms, with the highest value CAGR in North America, at 1.7%. Sustainable sourcing has increasingly become a necessity for brands, which has influenced them to place a greater focus on sustainable seafood.

Middle East Focus

One of the most significant driving forces in the Middle East & North Africa is consumer demand for convenience. Processed seafood products are considered a go-to food when people don't have the time to cook. Such products are used to prepare snacks, which children and adults take to school or work. Consumers are becoming increasingly familiar with such products, which are in turn becoming a part of the eating culture of this region. The health and wellness trend also plays a major role in the growth of this category. Seafood is often perceived as healthy and sales of seafood harvested from sustainable fishing are growing.

Sustainability and adequate resource usage is increasingly important for consumers within seafood and a growing area for investments. In Western Europe and North America, Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC) certifications are therefore often seen as a standard, as consumers' demand proof of responsible aquaculture. Awareness for seafood sustainability in Japan, largest market for this category and many other countries in Asia Pacific however is still low and just developing. They could however develop into an important unique selling point in mature seafood markets. In Japan for example, the industry giants Nippon Suisan Kaisha and Maruha Nichiro Holdings both launched MSC-certified product portfolios, while the leading retailer AEON wants to acquire the MSC or ASC Chain of Custody (CoC) certification for all its general merchandise stores and supermarkets by 2020. As MSC and ASC have partnered up with the Japanese Olympic athletes, the Tokyo 2020 Olympic and Paralympic Games are seen as a great opportunity to raise awareness and promote these certificates as a unique selling point.

Consumer's demand for a transparent production process within seafood also benefited a new product under Coop's private label line Coop Origine in Italy. The portfolio's unique selling point is the provision of information on issues such as production processes and safety certification: Scottish Salmon thereby became a popular choice in Italy's growing seafood market.

Market Trends and Drivers

Prices

The price of processed seafood has not been regulated in some markets, such as Venezuela, so manufacturers have more frequently transferred cost increases to the end consumer. Shelf-stable seafood used to be the only affordable protein source for many consumers. However, higher production costs have made such options unaffordable for most Venezuelan households. Similarly, food safety concerns and the political environment in Brazil have offset potential growth due to frugal behavior among consumers.

Unit prices of processed seafood have increased in South Africa due to a rise in the price of raw materials, which are largely imported, and made more expensive by the volatile local currency. Shelf-stable seafood is also dependent on fluctuating steel prices, as the products are primarily sold in metal cans.

Countries across regions are moving towards the development of sustainable seafood. Japan, one of the world's largest consumers of seafood has been lagging behind Europe and North America in seafood sustainability awareness, but changes have slowly been taking place in advance of the Olympic and Paralympic Games. Both environmentally friendlier packaging and increasing awareness of the logos certifying sustainability are expected to be a way forward in Finland.

Flavour innovation will also encourage growth in processed seafood. As palates become more receptive to unique and exotic flavors, consumers in Australia are being offered bolder choices to experiment with. Players in Poland recently started to develop new flavours and packaging, especially products following the convenience trend, such as smaller portions that enable consumers to eat on the go.

Frozen salmon and shrimp sales have fallen in Egypt, due to their very high prices. The products are subject to the highest taxes as they are considered luxury items and are only available through modern trade channels.

In the USA, tariff discussions between the US and China, as well as other significant trading partners, have created significant instability and uncertainty around global trade. Despite a large domestic market, US producers of seafood rely heavily on access to lucrative foreign markets and have experienced increasing anxiety as tariffs have created notable additional costs.

Marketing and Advertising

Promotions and advertising remain key drivers of growth in Mexico. In-store promotions offering a better price per volume for products with a complementary sauce or dressing are likely to be used by brands to attract consumers. Companies were also increasingly active through digital advertising and social media over the review period, and are likely to continue focusing on these platforms over the forecast period. Processed seafood in the UAE also grew as a result of promotions.

Private Label

Private label has become a significant player in this segment, focusing more on the premiumisation of their brands. The share of private label is predicted to rise over the forecast period, with grocery retailers increasing the variety and quality of products to meet consumer demand for affordable products of higher quality. This is expected to influence brand manufacturers to differentiate their products in terms of ingredients, taste and packaging.

In Argentina, although Quickfood, controlled by Brazil's Brf Brasil Foods, is the second largest player in the market, Brf has decided to divest itself of the company. Brf's decision is part of a global divestment plan to focus mainly on the Brazilian and Asian markets.

Health and Wellness

Fresh seafood also poses a threat to the growth of processed seafood, as many consumers consider the latter to be unhealthy and hazardous because of the chemicals used in its processing. This will continue to be the main obstacle to growth, especially in agricultural countries, where the price of fresh food is very affordable.

Processed seafood players are expected to launch new products leveraging the health and wellness trend. Innovative options with a health and wellness positioning that explore gourmet flavors, but remain low in sodium, calories and saturated fat, should work well in the future.

Competitive Landscape

The competitive landscape of seafood is very fragmented and generics and private label accounted for 43% in 2018.

Exhibit 32 - Global Company Shares 2018 - Seafood

Rank	Company	Global Market Share
1	Thai Union Frozen Products PCL	1.86%
2	Nomad Foods Ltd	1.82%
3	Dongwon Group	1.50%
4	Bolton Group, The	1.18%
5	Grupo Calvo SA	0.89%
6	Connors Bros Ltd	0.85%
7	Nippon Suisan Kaisha Ltd	0.74%
8	Maruha Nichiro Corp	0.58%
9	Lur Berri Coopérative Agricole	0.58%
10	Hagoromo Foods Corp	0.54%
11	Generics	24.57%
12	Private Label	18.75%
13	Others	46%

No single company managed to gain more than 2% value shares on a global level within the seafood category. In fact, only Thai Union Frozen Products PCL, Nomad Foods Ltd and Dongwon Group had shares above 1%, while all other players remained of limited importance.

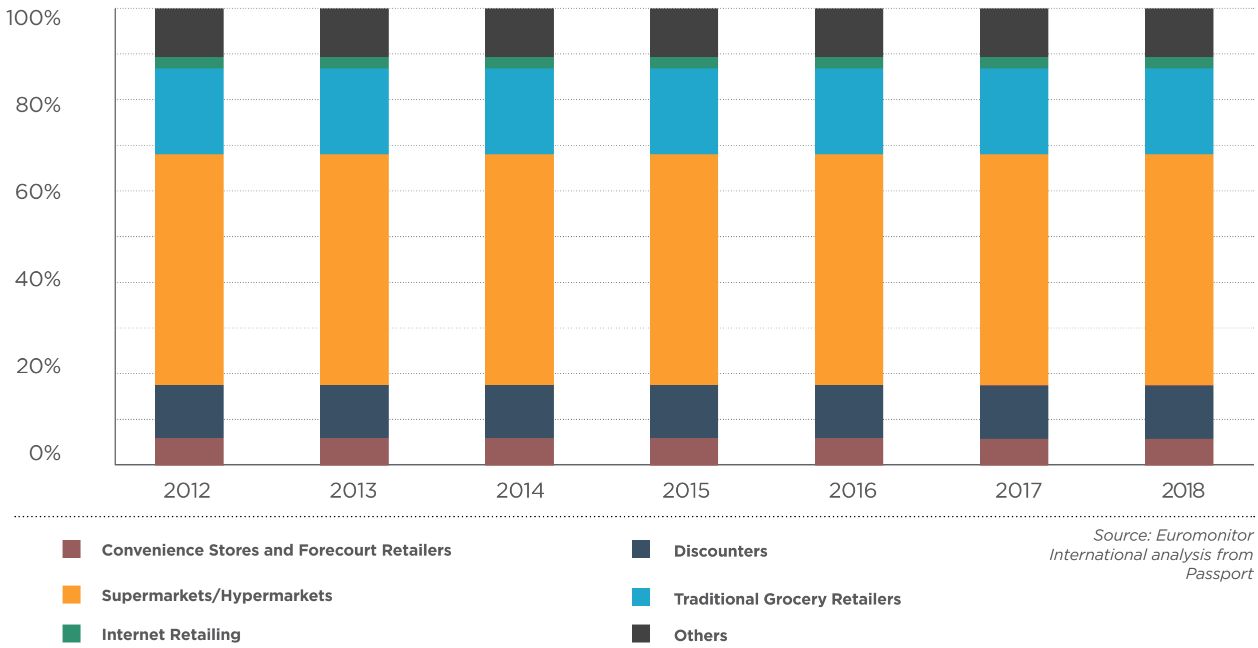
Loyalty towards seafood brands is rare and many consumers decide on the basis of origin, price, flavours and increasingly the ethical stance towards sustainability and organic or more natural production.

Distribution Landscape

In the Seafood sector globally, supermarkets and hypermarkets held the majority share of 57.9% among other sales channels in 2018. The strong foothold of this channel is mainly attributed to the preference for convenience, variety and competitive prices by consumers globally.

Supermarkets and hypermarkets also held the leading share for sales of processed seafood worldwide. However, the channel witnessed a CAGR decline of 0.5% between 2013-18, mainly due to the growing popularity of internet retailing as a preferred channel by consumers. Although it only had a 2.1% share of total sales by channel in 2018, internet retailing witnessed the fastest growth, with a 10.4% CAGR between 2013-18 globally.

Exhibit 33 - Global Seafood Distribution by Channel (2012-2018)



Source: Euromonitor International analysis from Passport

Supermarkets and hypermarkets led sales in the seafood category across all regions in 2018. This channel held a dominant share of more than 50% in all regions barring Asia Pacific, Middle East and North Africa in 2018.

The share of supermarkets and hypermarkets was highest in Australasia, at 79.6%, followed by North America (70.1%), Sub-Saharan Africa (66.2%) and Europe (56.3%). The bottom three regions included Latin America (55.3%), Middle East (49.7%) and lastly Asia Pacific, with a 49.2% share in 2018.

Overall, across regions globally, customers preferred supermarkets and hypermarkets due to the availability of a wide variety of options at competitive prices. Supermarkets and hypermarkets witnessed positive growth across most regions over 2013-18, with North America, Latin America and Australasia bring the exceptions. In these regions, the channel witnessed a decline, mainly due to the some growth of discounters as a channel.

Distribution is key for players in Brazil, which successfully consolidates the leading position of supermarkets/hypermarkets . Small local brands are unable to compete on price with larger players, given the logistical challenges in the current landscape. Large food conglomerates take advantage of economies of scale in transportation, and this trend is expected to continue in the future.

In the UAE, discounter chains increased their share of distribution strongly over the review period. This was due to the rapid increase in the number of these outlets, with continued expansion expected over the forecast period. The increasing number of private label lines offered by discounters also stimulated sales through this distribution channel, posing a threat to small independent grocers.

In 2018, there was a significant increase in the number of processed seafood players entering the internet retailing space in Indonesia. For example, Fiesta by Primafood International created its own website, where consumers can obtain a wide range of products. Other players have partnered with online marketplaces to make their products available via these portals.

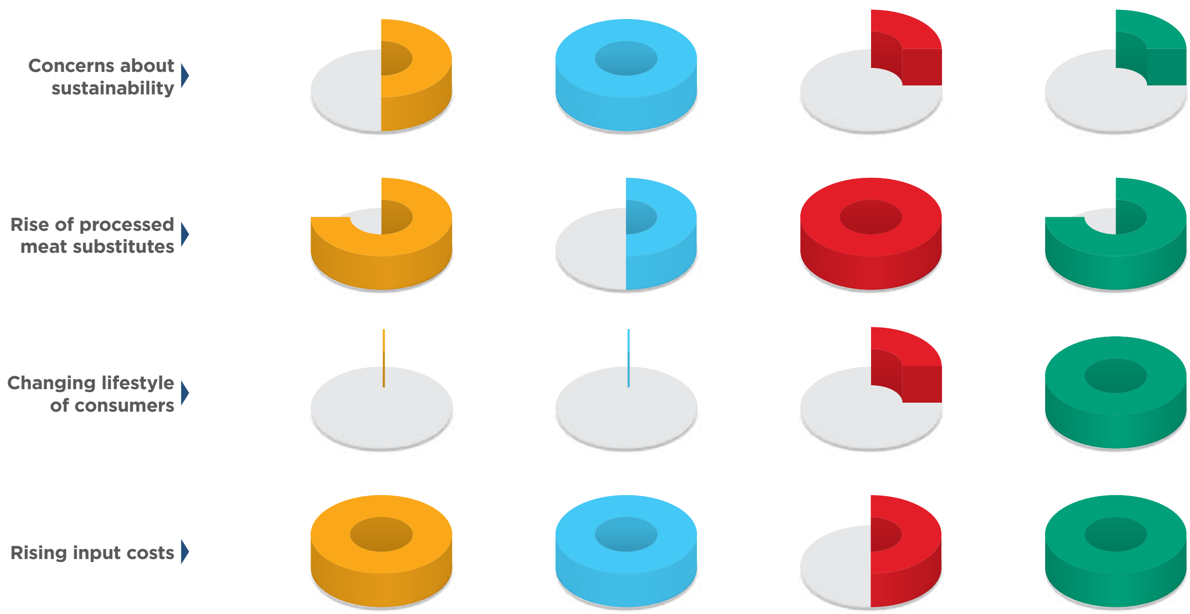
Asia Pacific Focus

Internet retailing witnessed the strongest growth in the most regions across the world, with the exception of Asia Pacific. The growth in sales via internet retailing was mainly due to the aggressive price points offered by online retailers to attract consumers. Consumers also appreciated the ease of shopping from home at anytime, further driving growth in this channel.

In Asia Pacific, discounters witnessed the strongest growth over 2013-18, mainly due to price-sensitive consumers looking for standard quality products. Generics dominated the processed seafood market in Japan, the largest market for processed seafood in Asia in 2018.

Challenges and Opportunities

This section provides a quick snapshot of the different challenges and opportunities available within the industry and how they are positioned across different industry stakeholders. Risks / challenges and opportunities are assessed to see if they are positive or negative for different stakeholders in the value chain. More risks/opportunities will be added where applicable.



Supplier/farmer | Manufacturer | Wholesale / import - exporter | Retailer

Key: Moons indicate the level of direct impact on each stakeholder
The fuller the moon, the higher the direct impact:
Low > high

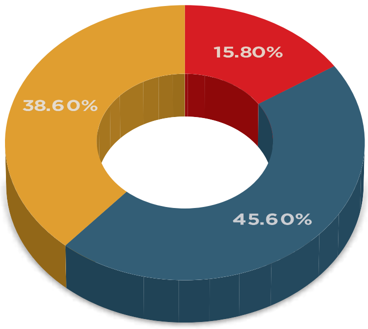
Voice of the Industry

CONFIDENCE INDEX

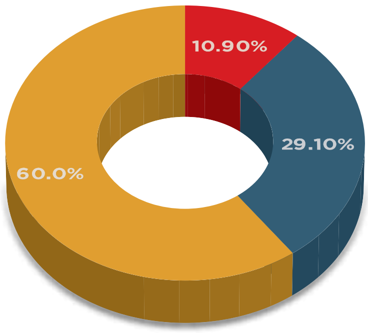
Current performance satisfaction vs. expected growth

Seafood Sector

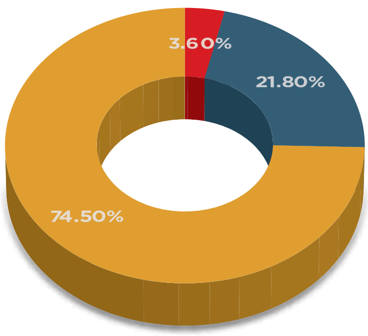
Satisfaction - current performance Vs Activity



Confidence - Over the next 12 months Vs Activity



Confidence - Over the next 3 years Vs Sector



Negative Neutral Positive

The Gulfood Global Industry Outlook Report is an in-depth market research study commissioned by the Dubai World Trade Centre to the agencies Euromonitor International and GRS Research and Strategy.

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Research Methodology

The research methodology of Passport, the key source used for this Report, is based on a core set of research techniques that include desk research (national statistics, national and international trade press, national and international trade associations, industry study groups and other semi-official sources, company financials and annual reports, broker reports an online databases), store audits and trade survey with key stakeholders across the value chain. Forecast data provided represents many of the essential conclusions reached about the current state of the market, how it works and how it behaves under different macro and micro conditions.

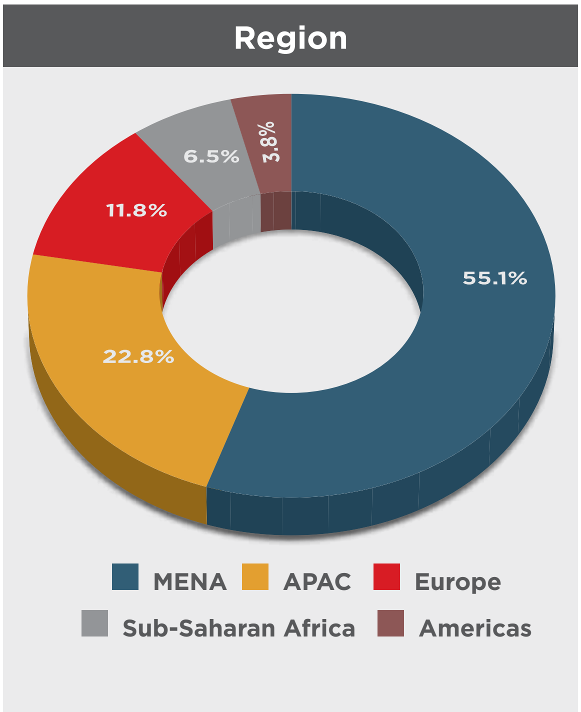
In addition to Passport, information and prospects set out in this report have also been sourced from desk research (such as company websites, trade press) and trade opinion surveys conducted by Euromonitor.

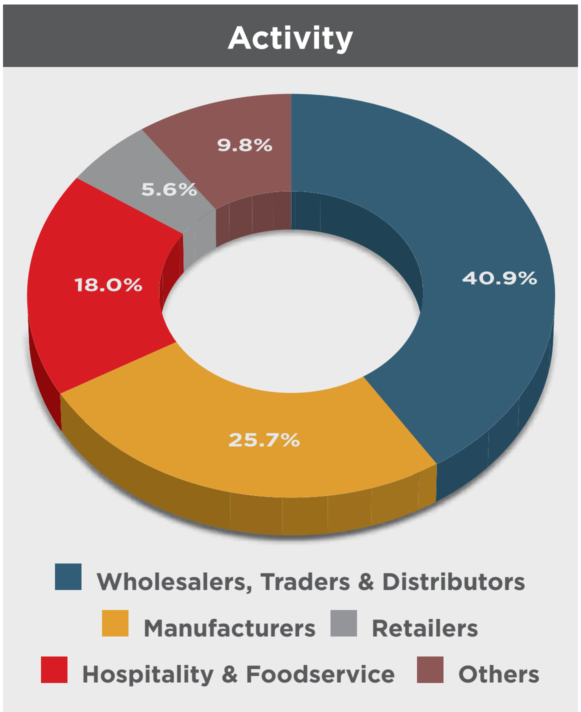
GRS Research and Strategy

The Gulfood Voice of The Industry survey was carried out by GRS Research & Strategy Middle East, an international research company that operates primarily in the Exhibition Industry, with offices in Dubai (UAE), London (UK), and Venice (Italy)

Research Methodology

- Data has been collected between Jan 6th and January 26th 2019 in CAWI (Computer Assisted Web Interviewing) mode
- 1,634 senior F&B professionals based in 109 different countries across the world responded to a 10-minute survey, sharing their experience, providing information about the current performance of the companies they represent, sharing their personal views about the industry as a whole, as well as their expectations for the future





5 MACRO-CATEGORIES:

Wholesalers, Traders & Distributors

- o Importer / Trader / Wholesaler
- o Distributor

Manufacturers

Hospitality & Foodservice

- o Bar / Café / Restaurant
- o Bakery
- o Hotel o Caterer

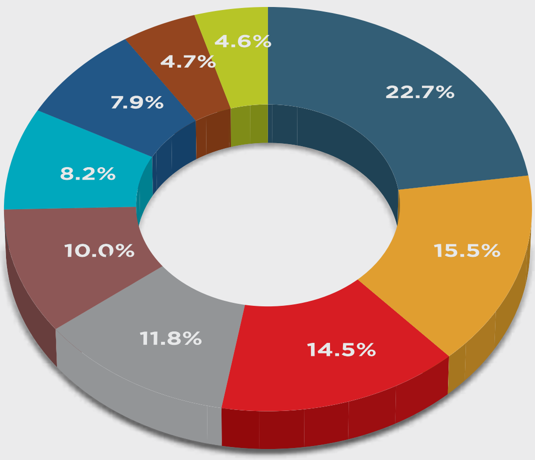
Retailers

- o Retail / Supermarket / Grocery
- o Fishmongers

Others

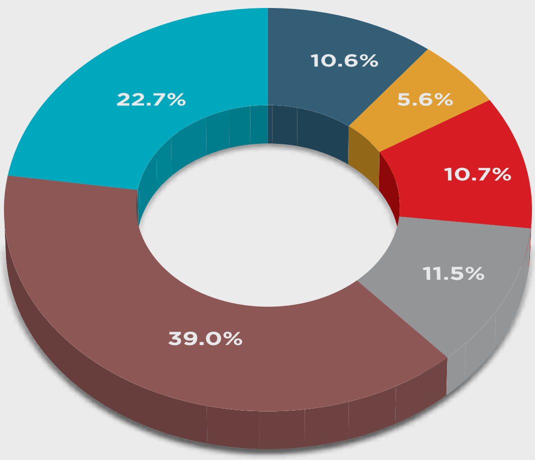
- o Education / Training
- o Government / Association
- o Other

Sector



Confectionery, Snacks & Ready-to-Eat | Pulses, Grains & Cereals | Beverages | Premium, Gourmet & Fine Foods | Ingredients | Meat & poultry | Dairy | Seafood | Fats & Oils

Annual Turnover



100+ Million USD | 50-100 Million USD | 21-50 Million USD | 11-20 Million USD | 1-10 Million USD | < 1 Million USD

Seafood

CATEGORY DEFINITIONS

The Seafood category is the aggregation of shelf stable seafood, chilled processed seafood and frozen processed seafood.

Regional Definitions

World	
Asia Pacific	Middle East and North Africa
Australasia	North America
Europe	Sub-Saharan Africa
Latin America	

Asia Pacific

Afghanistan	Mongolia
American Samoa	Myanmar
Armenia	Nauru
Azerbaijan	Nepal
Bangladesh	New Caledonia
Bhutan	North Korea
Brunei	Pakistan
Cambodia	Papua New Guinea
China	Philippines
Fiji	Samoa
French Polynesia	Singapore
Guam	Solomon Islands
Hong Kong, China	South Korea
India	Sri Lanka
Indonesia	Taiwan
Japan	Tajikistan
Kazakhstan	Thailand
Kiribati	Tonga
Kyrgyzstan	Turkmenistan
Laos	Tuvalu
Macau	Uzbekistan
Malaysia	Vanuatu
Maldives	Vietnam

Australasia

Australia	New Zealand

Europe

Albania	Latvia
Andorra	Liechtenstein
Austria	Lithuania
Belarus	Luxembourg
Belgium	Macedonia
Bosnia-Herzegovina	Malta
Bulgaria	Moldova
Croatia	Monaco
Cyprus	Montenegro
Czech Republic	Netherlands
Denmark	Norway
Estonia	Poland
Finland	Portugal
France	Romania
Georgia	Russia
Germany	Serbia
Gibraltar	Slovakia
Greece	Slovenia
Hungary	Spain
Iceland	Sweden
Ireland	Switzerland
Italy	Ukraine
Kosovo	United Kingdom

Latin America

Anguilla	Guadeloupe
Antigua	Guatemala
Argentina	Guyana
Aruba	Haiti
Bahamas	Honduras
Barbados	Jamaica
Belize	Martinique
Bermuda	Mexico
Bolivia	Nicaragua
Brazil	Panama
British Virgin Islands	Paraguay
Cayman Islands	Peru
Chile	Puerto Rico
Colombia	Sint Maarten
Costa Rica	St Kitts
Cuba	St Lucia
Curacao	St Vincent and the Grenadines
Dominica	Suriname
Dominican Republic	Trinidad and Tobago
Ecuador	Uruguay
El Salvador	US Virgin Islands
French Guiana	Venezuela
Grenada	

Middle East and North Africa

Algeria	Mauritania
Bahrain	Morocco
Djibouti	Oman
Egypt	Qatar
Iran	Saudi Arabia
Iraq	Sudan
Israel	Syria
Jordan	Tunisia
Kuwait	Turkey
Lebanon	United Arab Emirates
Libya	Yemen

North America

Canada	USA

Sub-Saharan Africa

Angola	Madagascar
Benin	Malawi
Botswana	Mali
Burkina Faso	Mauritius
Burundi	Mozambique
Cameroon	Namibia
Cape Verde	Niger
Central African Republic	Nigeria
Chad	Réunion
Comoros	Rwanda
Congo, Democratic Republic	Sao Tomé e Príncipe
Congo-Brazzaville	Senegal
Côte d'Ivoire	Seychelles
Equatorial Guinea	Sierra Leone
Eritrea	Somalia
Ethiopia	South Africa
Gabon	South Sudan
Gambia	Swaziland
Ghana	Tanzania
Guinea	Togo
Guinea-Bissau	Uganda
Kenya	Zambia
Lesotho	Zimbabwe
Liberia	

SEAFEX