CBI Product Factsheet:

Pangasius in Europe
Introduction

Until 2012 Europe was a booming market for Vietnamese Pangasius, with imports growing every year. However, the largest markets for Pangasius in Europe, Spain, the Netherlands and Germany, all saw their import value go down in the period 2012-2014. Market recovery will only become successful if Vietnamese suppliers become successful in improving the image and make the production and processing of the Pangasius more sustainable. Certification is expected to play a key role in this.

Product description

The scientific name for Pangasius is *Pangasius hypophthalmus*. In Vietnam, Pangasius is mostly referred to as *basa*. In most European countries, Pangasius is the common name, and often the name *anga* is used. In the United Kingdom, *basa* and *(Vietnamese) river cobbler* are also used to market Pangasius. The HS codes referred to in this product fact sheet are given in table 1. Pangasius fillets belong to the broader product group of fish fillets (HS 0304). Since 2012, whole fresh/chilled catfish (HS 0302) and whole frozen catfish (HS 0303) have also been reported as separate HS codes that include Pangasius. Pangasius represents over 95% of the trade volume and value included in the HS codes for catfish fillets. In Europe, Pangasius competes with a variety of other white fish species. In northern Europe, Alaska pollack, cod and different flatfish species are the main competitors of Pangasius. In southern Europe, apart from these species, species such as hake and Nile perch also are substitutes for Pangasius.

<table>
<thead>
<tr>
<th>Table 1: HS codes for Pangasius</th>
</tr>
</thead>
<tbody>
<tr>
<td>030272</td>
</tr>
<tr>
<td>030324</td>
</tr>
<tr>
<td>030432</td>
</tr>
<tr>
<td>030462</td>
</tr>
</tbody>
</table>

Product specification

This section provides you with basic information about specifications for fishery and aquaculture products in the EU. Important legislation is the recently renewed Common Organisation of the Market, which contains the rules of the organisation of the market for fishery and aquaculture products in the EU. Legislation about how to inform EU consumers about fishery and aquaculture products is also relevant to you. Below, you can find more specific information about the labelling, packaging, and processing of Pangasius for the European market.

Labelling:

The contents of labelling must be provided in the language of the country your products are exported to. When fishery and aquaculture products are imported into the EU, the following information must be provided on the label or the package of the fishery product, or by means of a commercial document accompanying the goods:

- **Name of the product:** The commercial and scientific name of the species. Member States publish a list of the commercial and scientific names accepted in their territory for this purpose;
- **Production method:** In the case of Pangasius, it must be mentioned that it is a cultured product;
- **Origin:** The country of production of Pangasius has to be mentioned on the label;
- **Presentation:** There must be a mention of how the product is processed (for frozen products: whole fish or fillets; for fresh products: gutted, with or without head, filleted, thawed, other);
- **Net weight:** The net weight must be stated on pre-packed products;
- **Date of minimum durability:** Consisting of day, month, and year, in that order and preceded by the words "best before" or "best before end" or the "use by" date;
- **EU seller:** The name or business name and address of the manufacturer, packager or seller established in the EU;
- **EU approval:** The package must contain an EU approval number and a lot number;
- **Nutrition:** Ingredients and nutrition must be mentioned.

Each EU member state has a competent authority that is responsible for the implementation of EU regulation with respect to labelling.

Packaging:

Packaging requirements differ widely between customers and market segments. It is crucial that you discuss your customers’ preferred packaging requirements with them. Some general characteristics are:
Frozen Pangasius imported by wholesalers for further distribution to smaller traders or food service companies are mostly delivered in 10 x 1 kg bags packed in master cartons. Smaller bags are sometimes requested for smaller size fillets; 

Frozen Pangasius fillets for further distribution to retail are mostly imported in polybags ranging from 500g to 1 kg. Smaller volumes are also distributed skin-packed and sold at a lower price. Frozen Pangasius fillets that go directly to retail are most of the time already packed in Vietnam and are imported in consumer packages; 

In retail, fresh Pangasius is sometimes sold over the counter, but most of the time the product is sold defrosted for self-service in a tray and plastic filter. In this case, the product is re-packed by EU processing companies; 

Each EU Member State has appointed a competent authority that is responsible for (labelling and) packaging.

**Processing and colour:**

- Colour: In general, white or sometimes light pink fillets are preferred in the EU. Pink is not the preference; 
- Preferred processing: In all EU markets, Pangasius is mainly sold as trimmed fillets. Most value-adding activities are done by EU processors; 
- Glazing: Recently, the Vietnamese Ministry of Agriculture and Rural Development (MARD) however has issued a decree to limit the glazing to 10%. Glazing rates have to be declared; 
- Tumbling to increase water content is allowed but limited, if it is declared. However, it is often unwanted by buyers and consumers in Europe. In the decree mentioned above, the water content of frozen Pangasius is set at a maximum of 83%.

**What is the demand for Pangasius in Europe?**

General information and figures in relation to production and trade developments in Europe are provided in CBI Trade Statistics. This section provides you with more detailed statistics in relation to the trade and consumption of Pangasius in Europe. Although a few more countries produce Pangasius nowadays, virtually all Pangasius imported into Europe comes from Vietnam.

**Imports**

The import value of frozen Pangasius fillets into Europe decreased from €341 million in 2012 to €275 million in 2014; a loss of almost 20%. In the same period, the import volume also declined, but less severely (-9%). All major import markets imported less Pangasius, with the exception of the UK. The two most important reasons for the general decline are the negative perception of the product among certain buyers and consumers, and the competition with other white fish species, most importantly Alaska Pollack and in some markets also cod.
Other Pangasius products are also imported, such as fresh fillets, whole frozen fish and whole fresh products (€23, €9 and €7 million respectively in 2014). Most of these products are not directly imported from Vietnam, but from other European countries (re-exports).

The import price of frozen Pangasius fillets has shown a downward trend in recent years. Starting at €2.11/kg in 2012, it dropped to an average level of €1.82/kg in 2013 and 2014. This decrease of almost 15% indicates the strong competition in the European white fish market. Prices are expected to remain relatively stable in 2015.

Import prices per country vary from about €1.00/kg in Romania and Bulgaria, to more than €2.50/kg in Switzerland, Norway and Denmark. These differences are related to the requirements of Pangasius in the different countries. In general, wealthier European countries with a stronger quality (which also has to do, for example, with the water content allowed) and environmental consciousness have higher requirements for products, which is reflected in a higher import price.

Because of the declining exports to the European market in the past few years, Vietnamese exporters are increasingly supplying other markets. In 2014, Europe lost its position as the largest export market for Vietnamese Pangasius. With US$339 million (€256 million) (or 28% of total Vietnamese Pangasius exports) the USA imported slightly more than the EU. Other important export markets for Vietnamese Pangasius are Mexico (US$110 million), Brazil (US$90 million) and the ASEAN countries (US$82 million). In 2014, the level of Pangasius exports to the US exceeded the exports to Europe. It is expected that the Vietnamese will continue to diversify their exports and to search for other markets besides Europe.

**Tips:**
- Although frozen Pangasius fillets dominate the market, there might be opportunities to sell other product types to certain market niches. Discuss with your buyers if there is a potential market for these products.
- Pangasius exporters should offer full transparency with regard to added water and glazing, as requested in the latest EU legislation. This will certainly help to regain consumers’ trust in the product!
- VASEP provides up-to-date trade statistics about the export of Pangasius and other seafood that can help you to identify potentially interesting new markets.

**Re-exports**

Exports of Pangasius in Europe are virtually all re-exports of Pangasius originally imported from Vietnam. Several countries re-export Pangasius to other countries in Europe. Germany and Poland, for instance, are important suppliers to countries in central and eastern Europe without large ports. In 2014, €41 million of frozen Pangasius fillets were re-exported within Europe. This is a decline of almost 40% compared to 2012 and was caused by 1) the general decline in Pangasius imports to Europe and 2) low growth in direct exports to destination markets in Europe. The main re-exporting countries in 2014 were the Netherlands (€11 million), Germany (€8 million), and Belgium (€6 million).

**Tip:**
- Seafood Connection, Anova Seafood, and Marine Harvest are important re-exporters of Pangasius in Europe.

**Production**

Vietnam is the main producer of Pangasius. Since 2012, Vietnamese production has been relatively stable at 1.0-1.2 million tons (corresponding to €1.0-1.2 billion).

In the last few years, Vietnam has faced competition from neighbouring countries and South-East Asian countries (especially Indonesia), which are stepping up Pangasius production for local and export markets. Up until now, these countries have continued to focus on supplying local markets and exports are negligible.

Consolidation of the production sector (less but stronger producers) is needed to improve the perspectives of the Vietnamese Pangasius industry. Indonesia also has the ambition to increase the production of Pangasius (called ‘patin’ with a reddish brown colour), but production is mainly for local consumption while Vietnamese Pangasius is an important export product. The Pangasius production in Indonesia was reported to be 400,000 tons per year.

**Consumption**

The average consumption of Pangasius per capita in 2013 in Europe is shown in Figure 4.
The Netherlands leads in terms of Pangasius consumption per capita. This country was marked by high consumption growth in the past decade, mainly the result of the many promotional offers by leading food retailers.

Also in the coming years it is expected that Pangasius will remain positioned as a low-value white fish across Europe, while the growth of consumption will primarily depend on the sector’s efforts to become more transparent and ASC certified.

**What trends offer opportunities on the European market for Pangasius?**

**CBI Trends for frozen white fish** provides you with general trends in the European frozen white fish market. This section provides more details about specific trends for the market position of Pangasius in Europe.

**Continuing importance of ASC certification**

ASC certification has become the main sustainability certification scheme for Pangasius (see also [here](#)). By the end of 2015, approximately 50 Pangasius producers, including the major companies, are ASC-certified. In countries such as the Netherlands and Germany, where ASC has been introduced, the certification scheme has already become a buyer requirement for large retail and food service companies. Although sustainability certification in general is more important in northern Europe, some retailers in southern Europe also see ASC certification as an opportunity to promote good practices and to improve the image of the product. For gaining or maintaining access to large retailers and food service companies in northern Europe, providing ASC certification has become a necessity.

Note that since December 2014 Global GAP (together with Friend of the Sea) has also offered a consumer label for cultured fish products. It is available under the name "Friend of the Sea Add-On Module for Aquaculture" and is added to the GLOBAL GAP Integrated Farm Assurance Aquaculture Standard.

**Negative market perception**

In recent years, there have been several campaigns in different European countries that have harmed the image of Pangasius among consumers in Europe. Although serious improvements in the market perception of Pangasius have been made, the image of the product can be further improved. Consumers and NGOs (non-governmental organisations) have to be convinced about the sustainability of Pangasius and examples of best practices and farming must be widely communicated. ASC certification may contribute to a more positive perception of Pangasius in the European market.
Value-adding opportunities for Pangasius

In supermarkets in Europe, there is a growing supply of convenience and ready-to-eat products. Most of the Pangasius in Europe is imported as frozen fillets, and value adding is done by processing companies in Europe. The product specifications of Pangasius, a thick fillet and neutral taste, make it suitable as an ingredient for convenience and ready-made products, and thus for value-addition. During the European Seafood Exposition in 2014 and 2015, VASEP and several processing companies showed their ambition to focus more on value-addition opportunities for Pangasius.

Tips:
- On the ASC website, you can find information about the ASC standard for Pangasius, and the different steps and requirements in the certification process.
- If you are interested in becoming ASC-accredited, contact the Dutch Sustainable Trade Initiative, which supports exporters in moving towards ASC certification by providing them with technical and financial services.

Concern about taste, consistency, and soaking

European buyers and the Vietnamese exporters are increasingly aware of issues related to tempering Pangasius with phosphates and increasing water content through tumbling and soaking. Although these techniques are allowed, they are often unwanted by European consumers. In order to improve the image of Pangasius in the European market, you should be aware of the risks of soaking and tempering and consider not using these technologies to sell your products at a lower price. Note that there is always the requirement of a transparent label in accordance with EU regulations No. 1169/2011 and No. 1379/2013.

Tip:
- Using these techniques will surely lead to further damage to the reputation of Pangasius and price deterioration. Discuss with your buyers which levels of tempering and soaking are acceptable, and commit to not using higher levels as agreed.

Competition in the European white fish market

In Europe, Pangasius competes with other white fish species, such as Tilapia and Alaska Pollack. The most important substitutes for Pangasius however differ throughout Europe. In countries like Germany and Poland, Alaska Pollack is the main competitor of Pangasius, while in the UK, consumers prefer haddock and cod, species often used for the traditional fish and chips. In countries in southern Europe, hake, Alaska Pollack, and other white fish species compete with Pangasius. As a supplier of Pangasius, be aware of these differences in the European market.

Substitution of Pangasius with other white fish

Global cod landings have shown an upward trend for the past decade, but in 2015 landings are expected to decline slightly. As cod is a traditional white fish in the European market with a good reputation, buyers can shift from Pangasius to cod in some markets. Moreover, Alaska Pollack is currently preferred over Pangasius in some EU markets (Germany, Poland) because of stable catches, a low price, and a better consumer perception.
What requirements should pangasius comply with to be allowed on the European market?

Requirements can be divided into: (1) musts, which are legal requirements you must meet in order to enter the market, 2) non-legal requirements, which are those most of your competitors have already implemented, in other words, the ones you need to comply with in order to keep up with the market; and (3) additional requirements for specific segments.

You can find a general overview of the EU buyer requirements for fish and seafood on the Market Intelligence Platform of CBI including many tips for how to get more details or how to meet these requirements. A summary of the requirements follows below, including some specific details for pangasius.

What legal requirements must my product comply with?

These are the legal requirements for the import of pangasius into the EU:

- **Approved country and establishment:** Your country must be on the list of EU-approved countries in order for you to export fish to the EU market.
- **Traceability rules:** It means that the label has to offer precise information on its harvesting and production. It applies to all unprocessed and some processed seafood, whether it is pre-packed or not.
- **Catch certificate to combat illegal fishing:** To combat illegal fishing, (wild caught) fish imported or transhipped in the EU must be accompanied by a catch certificate.
- **Health certificate:** The fishery products you export to the EU must be accompanied by a health certificate.
- **Hygiene above all:** There is a list of requirements that fishery products must meet, but to sum up many of these are related to hygiene. The implementation of HACCP is one of the measures you need to take, but the general hygiene of your establishment must also be good and is of key importance to potential buyers.
- **Contaminants – restricted and tested.** Contaminants that may end up in the food product as a result of various stages in the process or environmental contamination, are restricted by EU legislation. Fish destined for the EU market is generally tested before shipped, sometimes in the buyer’s own lab, sometimes in recognized (independent) labs, in order to prevent costly border rejections.
- **Microbiological contamination:** Just like contaminants, microbiological contamination has restrictions and is therefore examined in the fish destined for the EU market.

Tips:
- For more information about the main competing species in Europe white fish market and the market position of Pangasius, look at the annual white fish report from the European Fish Processors Association (AIPCE);
- Up-to-date market information is important to keep you informed about the European white fish market. Globefish provides market and price reports with information about trends and developments in the European white fish market.

What additional requirements do buyers often have?

For pangasius, additional requirements are mainly requirements with respect to food safety. The most commonly requested food safety certification schemes for seafood products are IFS and (or) BRC, and sometimes also GLOBAL GAP.
Another common additional requirement is sustainability certification. ASC is an emerging business-to-consumer (B2C) certification scheme for sustainable aquaculture products. Currently, ASC is already a buyer requirement for large retailers and food service companies in countries in northern Europe, such as the Netherlands and Germany. In April 2014, more than 190,000 tons (equal to about 25% of Vietnamese exports) of Pangasius were ASC-certified. 43 farms have been awarded ASC certification, while six were in assessment. Although ASC is not yet a buyer requirement in southern Europe, ASC certification may be a way to improve the image and competitiveness of Pangasius.

**Tip:**
- If you are interested in ASC, discuss with your buyer whether a premium can be paid or calculate if you can produce ASC Pangasius on a cost-neutral basis. Check the [ASC Website](#) and the ASC [accelerator](#) support programme.

**What are the requirements for niche markets?**

In the EU, organic certification is still seen as a niche market requirement. In some European countries such as Germany and Switzerland, organic products are becoming an important niche market. At least two Vietnamese Pangasius producers have been certified according to the EU regulation for organic production. Being able to produce aquaculture organically and achieve organic certification can boost your business opportunities in the European market.

**Naturland**

Naturland is an association for organic agriculture. Naturland was created in Germany in 1982. Since the mid-nineties Naturland has been very successful in conducting Organic Aquaculture projects. Although no Pangasius has yet been certified by Naturland, it can be interesting in the future to investigate the opportunities for organic certification.

**Tips:**
- Go to the website of [Naturland](#) to find out the possibilities to farm organic Pangasius.
- On this [website of the EU](#), you can find more about the organic certification.

**What do the trade channels and interesting market segments look like in Europe for Pangasius?**

For more general information about market segments and channels, take a look at [Market Channels and Segments for seafood products in Europe](#), which is available at the CBI market information platform. This section provides some detailed information about the various marketing channels through which Pangasius is marketed in Europe.
Pangasius fillets are mostly imported into Europe as frozen fillets. Secondary processing and other value-adding activities (such as breading, battering or marinating) occur at seafood processing companies in Europe. Most large retailers and food service distributors that sell Pangasius do not source fish products themselves but make use of a few large importers as their preferred suppliers.

Nearly all Pangasius is imported by shipping, although small volumes are also imported by airfreight. In Europe, the ports of Rotterdam (the Netherlands), Antwerp (Belgium), and Hamburg, Bremen or Bremerhaven (Germany). These ports are important distribution hubs for the transport of Pangasius further into Europe.

Retail groups in Europe often have different formulas, ranging from premium supermarkets to discount stores. In most cases each formula has its own purchasing and distribution system.

Although the food service segment represents considerable shares of food and also seafood consumption in Europe (note that shares differ a lot from country to country), the food service segment in Europe is rather fragmented. Only a few food service players operate on a multinational level and the food service market segmentation differs a lot from country to country.

**Tips:**

- It is crucial to be aware of the differences between the retail segment and food service segment if you want to export products to the European market. Discuss with your clients what the differences are between the retail segment and the food service segment to better understand their specific needs.
- If you want to access the European market, these ports have important logistic facilities from where products are further distributed. It is recommended to make use of the facilities in these ports if you want to distribute your products further into Europe.
- If you are aiming to supply your products to the retail segment in Europe, find out which large importers trade with large retailers in Europe. Large companies that supply to the retail segment are Deutsche See in Germany, Lenger Seafoods in the Netherlands or Marine Harvest (multinational).
- Even more for food service than for food retail, Developing Country exporters should focus on one or a few key countries, as most countries have their own trade channels and importers.
- Food retail and food service markets in Europe in general have different characteristics and different needs. Cooperate with your buyers on what the specific needs and requirements of their clients are and how to meet these needs and requirements.
What are the end market prices for Pangasius?

Consumer prices of Pangasius products in the different European countries are presented below to give you an impression of the price level in Europe. Note that in 2015 prices may be a little lower as compared to the prices mentioned in the table.

Table 2: Consumer prices for Pangasius in 2012-2013

<table>
<thead>
<tr>
<th>Product</th>
<th>Price (€/kg)</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defrosted Pangasius fillet with ASC label</td>
<td>13.29</td>
<td>The Netherlands</td>
</tr>
<tr>
<td>Skinless and boneless smoked river cobbler fillet with ASC label</td>
<td>10.69</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Coated frozen Pangasius fillet with ASC label</td>
<td>6.83</td>
<td>The Netherlands</td>
</tr>
<tr>
<td>Frozen Pangasius fillet</td>
<td>5.29</td>
<td>Slovenia</td>
</tr>
<tr>
<td>Organic coated Pangasius nuggets</td>
<td>28.36</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Frozen Pangasius fillet</td>
<td>6.56</td>
<td>Greece</td>
</tr>
<tr>
<td>Frozen boneless Pangasius fillet</td>
<td>7.18</td>
<td>France</td>
</tr>
<tr>
<td>Frozen Pangasius fillet</td>
<td>7.37</td>
<td>Denmark</td>
</tr>
</tbody>
</table>

Source: Innova database

Useful sources

- EU Export Helpdesk
- ITC Standards Map
- European Seafood Exposition
- European Market Observatory (EUMOFA)
  [http://www.eumofa.eu](http://www.eumofa.eu)