The European market potential for pangasius

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Pangasius is 1 of the most important farmed whitefish species consumed in Europe and is mainly consumed as fillets, in Northern and Eastern Europe. All pangasius is imported from third countries. Sustainability certification is becoming increasingly important in Europe, and telling interesting stories about your product is a trend to follow. The COVID-19 pandemic will likely show increased pangasius imports, as retail purchases increased in response to it.

Contents of this page

1. Product description

Pangasius belongs to the *Pangasiidae* family, which consists of 21 different catfish species. For the European market, pangasius is the number 1 farmed whitefish species consumed. Almost all of it comes from aquaculture sources, and *Pangasianodon hypophthalmus* is by far the most common.

World production of pangasius reached 2.8 million tonnes in 2018, which is 7.5% above the 2014-2018 average. This number is excluding volumes from producing countries like China that do not report production separately.

In general, pangasius is sold as frozen fillets in Europe. Most Europeans prefer the fillets to be white or sometimes light pink. The fillets are mainly sold as trimmed fillets and protected by a glazing layer. Most value-adding activities are done by European processors.

There is also a market for fresh/defrosted pangasius fillets and frozen pangasius steaks or whole pangasius. However, this market is much smaller compared to the frozen fillet market.

Most of the pangasius is farmed in Vietnam, India, Bangladesh and Indonesia. Other important producers are China, Cambodia, Myanmar and Thailand.

Harmonised System codes for pangasius

In most European countries, pangasius is the common name, and often the name panga is used. There are countries that have other names for it, such as *hajmalle* (Denmark), basa (United Kingdom) and *sum rekini* (Poland). When pangasius is referred to in this factsheet, it concerns the Harmonised System codes mentioned below. Over 95% of the European trade volume and value included in these HS codes are allocated to this pangasius. The other 5% consist of other, less commercially interesting catfish species.

- 030272 – Whole catfish, live, fresh or chilled;
- 030324 – Whole catfish, frozen;
- 030432 – Catfish, fresh or chilled fillets and other fish meat;
- 030462 – Catfish, frozen fillets and other fish meat.

The Harmonised System is an international naming system for the classification of products. It allows participating countries to classify traded goods on a common basis for customs purposes.

Packaging

Frozen fillets are usually sold individually quick frozen (IQF). Frozen pangasius is imported by wholesalers for further distribution to smaller traders or food service companies. It is mostly delivered in 10 x 1 kg bags packed in master cartons. Smaller bags are sometimes requested for smaller size fillets. Pangasius for further distribution to retail is mostly imported in polybags ranging from 100 grammes to 1 kilogramme. Frozen pangasius fillets that go directly to retail are usually already packed in consumer packages.

In retail, pangasius is sometimes sold fresh 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 repacked by European Union processing companies.

Frozen whole pangasius or frozen pangasius steaks are sold mostly in ethnic supermarkets in Europe. Whole pangasius is individually wrapped. Pangasius steaks are sold in polybags ranging from 500 grammes to 1 kilogramme.

Figure 1: Retail packaging of frozen pangasius fillet

Source: fishermanschoice.nl

2. What makes Europe an interesting market for pangasius?

Europeans are familiar with whitefish, and pangasius has many similarities with these fish. Europe has practically no pangasius production and is fully dependant on third-country imports for this fish product. Imported pangasius will also be re-exported between European Member States.

Europeans like seafood

Europeans have a huge appetite for seafood. That can be read in the European Market Observatory for Fisheries and Aquaculture Products (EUMOFA) report about the European Union fish market. In Europe, total seafood consumption reached 12.69 million tonnes in 2017. This comes down to a seafood consumption of 24.3 kg per capita, which is above the world's average. And the European fish and seafood market is still growing.

This stability of pangasius consumption can offer you an opportunity as an exporter. European importers are keen to build long-lasting business relationships. The stable demand in Europe helps, as it provides an incentive to work with longer-term contracts, develop a specific brand name or invest in storytelling.

Tips:

Read the CBI Fish and Seafood Market Statistics and Outlook Study to learn more about the consumption, demand and imports of fish and seafood in Europe.

Global Trade Tracker allows you to create accurate, timely, customised reports for seafood products worldwide with available data on this site. However, it is necessary to make an account to get access to this information. For data about the EU seafood market, you can also make use of the free accessible database EUMOFA.

To understand the long-lasting relationships Europe and importers foster, read the study Tips to do business.

For data about the EU seafood market and consumption, you can also make use of the free accessible database EUMOFA.

Pangasius fits well with whitefish-minded Europe

Europeans are very familiar with whitefish consumption. Important whitefish species are cod, Alaska pollock, hake, saithe and haddock. Pangasius is 1 of the important farmed whitefish species that fits perfectly in this category.

The advantage of pangasius for the European whitefish market is that it is relatively low in price and has a stable supply. That is why it is successful in the Northern European retail market, where price is still an important driver for buying fish.

It is important to know that the European market for pangasius showed a decreasing trend for many years, due to negative claims about this species, in particular about the production process and antibiotic usages. Different research articles showed that these claims were not legitimate, which helps to (slowly) improve the reputation. The improving reputation could help pangasius grow in the coming years.

Tip:

Learn more about European whitefish demand by reading the FinFish Study. In this report, you can find more information about the most important whitefish species for the Union.

Pangasius is a good replacement for European whitefish

European production of whitefish species is decreasing, due to reduced catches. The reduced product availability is increasing the demand for third-country whitefish species. Pangasius is 1 of the species that is used as a replacement, providing you with a growing opportunity for your products to reach Europe.

Europe depends on imported pangasius

Europe produces almost no pangasius. The European Union's pangasius market is fully dependent on imported pangasius. At the moment, pangasius accounts for 1 to 2% of total fish and seafood consumption in Europe. In general, the consumption of pangasius in Europe has fluctuated around 160,000 tonnes since 2017. The total consumption of pangasius amounted to 160,800 tonnes in 2019, an increase of 2.4% compared to 2018.

European import volumes of pangasius increased by 2.1% in 2019, going to 161,900 tonnes from 158,500 tonnes in 2018. This was after many years of decreasing imports. Over 97% of the pangasius imports in Europe were frozen fillets (157,000 tonnes in 2019). The volumes of the imported fresh or chilled pangasius variety and frozen whole pangasius are rather small.

Vietnam (160,200 tonnes in 2019) is by far the leading third-country supplier, followed by Indonesia (700 tonnes), Russia (400 tonnes) and Bangladesh (200 tonnes). Vietnam by itself represents 99% of total European third-country imports.

The largest importers of frozen pangasius fillets are the Netherlands and the United Kingdom (Figure 3). With import volumes of 30,600 tonnes and 29,400 tonnes, the Netherlands and the United Kingdom each had 15% of the European Union's imports of frozen pangasius in 2019. Germany completes the top 3 European importers, with an import volume of 15,900 tonnes in 2019. Other significant European importers of pangasius are Italy (14,200 tonnes), Spain (12,700 tonnes), Belgium (11,700 tonnes) and Poland (11,600 tonnes).

In Spain, an enormous drop in pangasius imports can be found between 2016 and 2017. In this period, different retailers decided to remove pangasius from their shelves, due to its environmentally controversial character. Nowadays, pangasius is back in the supermarkets, but in smaller quantities. Reducing the environmental impact of the fish and explaining this to consumers could help increase pangasius sales in the retail market in Spain.

Europe also (re-)exports pangasius

Within Europe, pangasius products are re-exported to other European Union or third countries. Some pangasius products go through European processors, where they are turned into value-added products before being exported. The total European export of pangasius increased by 2%, from 44,900 tonnes in 2018 to 45,800 tonnes in 2019. Compared to the 2014-2019 average (48,800 tonnes), export volumes decreased by 6.1%. The frozen variety made up 95% of the export volume.

Most of the pangasius export volume (21%, 9,500 tonnes) was exported to 1 of the most important European pangasius consuming countries, Germany. The top 3 European destinations for pangasius (re-)exports were completed by Hungary (5,200 tonnes) and the Netherlands (3,900 tonnes). These 3 represented 41% of the total export by European countries. Italy (3,500 tonnes), Belgium (2,900 tonnes) and Austria (2,100 tonnes) complete the top 6 of European countries importing from other European countries.

Tip:

Discuss with your buyers if there is a potential market for other products than frozen pangasius fillets. Although frozen pangasius fillets dominate the market, there might be opportunities to sell other product types to certain market niches.

3. Which European countries offer most opportunities for pangasius?

The main pangasius market in the European Union can be found in Northern Europe, with the United Kingdom as the number 1 consumer. The Netherlands is the main importer of pangasius from third countries, followed by the United Kingdom and Germany.

The Netherlands is Europe’s number 1 pangasius (re-)exporter

The Netherlands is a real trading hub within Europe. Frozen seafood products can enter the European Union via the harbour of Rotterdam and fresh products via Schiphol airport in Amsterdam. The total pangasius supply for the Netherlands in 2019 was 37,632 tonnes, the highest of all European countries. The Netherlands (re-)exported 20,667 tonnes of the imported pangasius, corresponding to around 55% of the total supply. Germany (40%), Italy (15%) and Belgium (11%) are the most important export markets.

With an apparent consumption of 16,966 tonnes, the Netherlands is the third-most important consumer of pangasius in Europe (Table 1). Most of the products are imported into the Netherlands as frozen fillets (97%) and sold frozen into retail or wholesale. A small part of the imported pangasius is thawed in the Netherlands and sold as chilled products in Europe. In total, 13% (2,615 tonnes) of the pangasius exports in the Netherlands consisted of chilled fillets.

Table 1: Apparent consumption of pangasius in the Netherlands, year 2019 (volume in tonnes life weight equivalent)

	Catches	Import	Supply	Export	Apparent consumption
Netherlands	0	37,632	37,632	20,667	16,966

Source: FAO and Eurostat, modified by Seafood TIP

Pangasius is 1 of the most important seafood species consumed in the Netherlands and has a strong position in the top 10 seafood species in the country. Natural or marinated pangasius fillets are mostly consumed grilled/baked as part of the main dish.

It is expected that, in the short term, the COVID-19 pandemic will have a positive impact on pangasius demand in the Netherlands. Pangasius in the Netherlands is mostly sold through the retail channel. This market segment has shown increasing seafood sales during COVID-19. In the long term, it is expected that the demand for pangasius will stay above the 2019 consumption due to an increasing population that is looking for prepacked and easy-to-prepare seafood products.

The United Kingdom is the European leader of pangasius consumption

With 31,457 tonnes, the total pangasius supply for the United Kingdom in 2019 was the second highest of all

European countries. This amount was fully based on imports. The total pangasius (re-)exported by the United Kingdom corresponded with around 4% of the total supply. Ireland (20%) is the most important export market, followed by Germany (6%) and the Netherlands (6%).

With an apparent consumption of 30,204 tonnes, the United Kingdom is the most important consumer of pangasius in Europe (Table 2). Most of the products are imported into the United Kingdom as frozen fillets (94%). However, there is an (ethnic) market for whole pangasius products. Fresh and frozen whole pangasius imports combined accounted for 3% of total pangasius imports. While Vietnam is the main supplier for frozen pangasius products, Germany is the main exporter of chilled whole pangasius to the United Kingdom.

Table 2: Apparent consumption of pangasius in the United Kingdom, year 2019 (volume in tonnes life weight equivalent)

	Catches	Import	Supply	Export	Apparent consumption
United Kingdom	0	31,457	31,457	1,252	30,204

Source: FAO and Eurostat, modified by Seafood TIP

Generally, pangasius is sold in the United Kingdom market as breaded, thawed or smoked products. The fish is also used in traditional ‘fish & chips’. For the United Kingdom, it is also expected that the COVID-19 pandemic will have an impact on pangasius demand in short term. Pangasius sold in retail shows an increasing trend, while the pangasius for out-of-home consumption is stagnating or decreasing. In the long term, it is expected that out-of-home consumption will recover.

Germany, the third European country, consuming over 15,000 tonnes of pangasius

Germany can be seen as the third-most important country for pangasius consumption (Table 3). The total German pangasius supply reached 23,343 tonnes in 2019. Frozen pangasius fillets were imported the most (89%), followed by chilled pangasius fillets (10%) and frozen whole pangasius (2%). While Vietnam is the most important supplier of frozen pangasius products, the Netherlands is the most important supplier of chilled pangasius fillets.

Germany used 17% of its total supply for (re-)export, mainly to Austria (1,278 tonnes), the United Kingdom (813 tonnes) and Czechia (473 tonnes).

Table 3: Apparent consumption of pangasius in Germany, year 2019 (volume in tonnes life weight equivalent)

	Catches	Import	Supply	Export	Apparent consumption
Germany	0	23,343	23,343	4,084	19,259

Source: FAO and Eurostat, modified by Seafood TIP

With an apparent consumption of 19,259 tonnes, Germany is the last European country consuming over 15,000 tonnes of pangasius. Similar to the Netherlands, in Germany, pangasius is usually consumed as part of the main dish and grilled/baked as naturel or marinated fillet.

Italy is the most important Pangasius consumer in Southern Europe

Southern European countries are the biggest consumers of seafood products within the European Union. However, the first Southern European country is placed fourth as a pangasius consumer. Like in the rest of Europe, all of the pangasius supply (15,168 tonnes) comes from imports (Table 4). From Italy, there is a minor (re-)export of pangasius, especially chilled, to Romania and Croatia.

Table 4: Apparent consumption of pangasius in Italy, year 2019 (volume in tonnes life weight equivalent)

	Catches	Import	Supply	Export	Apparent consumption
Italy	0	15,168	15,168	254	14,914

Source: FAO and Eurostat, modified by Seafood TIP

Pangasius also has a place in the Spanish seafood market

Spanish seafood consumption is the highest in the European Union, after Portugal. The average seafood consumption per capita in 2018 was 45.6 kilogrammes. Pangasius has a modest role in the consumption pattern in this Southern European country. The total pangasius supply in Spain consisted of 12,146 tonnes in 2019 (Table 5). The import of frozen pangasius fillets was most important (98% of total import volume).

In total, around 10% of the Spanish pangasius supply was (re-)exported in 2019, mainly to Portugal (869 tonnes). In lesser amounts, pangasius was exported to Italy (58 tonnes), Greece (41 tonnes) and Cabo Verde (40 tonnes).

Table 5: Apparent consumption of pangasius in Spain, year 2019 (volume in tonnes life weight equivalent)

	Catches	Import	Supply	Export	Apparent consumption
Spain	0	13,473	13,473	1,327	12,146

Source: FAO and Eurostat, modified by Seafood TIP

Poland is the exporting country for Eastern European countries

The total pangasius supply for Poland in 2019 consisted of 11,671 tonnes (Table 6). Almost all pangasius was imported frozen, directly from Vietnam. Poland (re-)exported 2,512 tonnes of pangasius products in 2019, particularly to other Eastern European countries like Hungary (889 tonnes), Czechia (365 tonnes), Lithuania (332 tonnes) and Estonia (317 tonnes). The apparent consumption in Poland amounted to 9,159 tonnes.

Table 6: Apparent consumption of pangasius in Poland, year 2019 (volume in tonnes life weight equivalent)

	Catches	Import	Supply	Export	Apparent consumption
Poland	0	11,671	11,671	2,512	9,159

Source: FAO and Eurostat, modified by Seafood TIP

Tips:

- If you want to export pangasius to Europe, approaching importers in the Netherlands, the United Kingdom and Germany offers the best opportunities. These companies also sell pangasius to other countries in Europe.
- Read the CBI Market Analysis to learn more about the regional differences in Fish and Seafood consumption between European countries. It will help you understand what markets to target and how.
- Find more information about European Union seafood consumption in the European Union Fish Market 2019 report published by EUMOFA.

4. Which trends offer opportunities on the European pangasius market?

During restrictions related to COVID-19 in different countries, people got more used to cooking seafood at home. As pangasius is a well-known product and price competitive, retail sales increased for pangasius products. This is also aligned with another trend on the European market: the growing demand for convenience and ready-to-eat products. Furthermore, certification for pangasius is becoming increasingly important, as consumers are more and more conscious of sustainability issues related to fisheries and aquaculture.

Retail market pangasius sales increased due to COVID-19

COVID-19 has affected the whole European fish and seafood market. While the food service industry has struggled in the face of social distancing measures, the retail industry has continued going strong. As people could not eat out, they were more inclined to cook seafood at home. As pangasius is a well-known product and price competitive, retail sales increased for pangasius products.

Also, people seem to regard prepacked seafood as safer than fresh or refreshed products in the light of COVID-19. This means people prefer MAP packed or sealed products over fresh or refreshed products, which are not packed. While pangasius products in retail in Northern Europe were usually already prepacked, this trend is now also visible in Southern Europe. This trend makes (prepacked) pangasius more competitive in retail.

With the rates of COVID-19 infections rising in most European countries and further closures in related food service sectors, the retail market will remain the go-to place for people to buy their seafood. This offers you the opportunity to provide products for this growing market demand.

Tips:

- Read the CBI trends study to understand the current and new trends in the European seafood sector.
- If possible, export consumer-ready and packaged pangasius products. This is preferred in this segment and provides both a higher profit margin and an opportunity for you, as an exporter, to get your marketing and storytelling in front of the end user.
- Read the CBI Trends study to learn more about the power of storytelling for marketing your product. You will also learn about other trends that were created or influenced by COVID-19.
- You can find more information about how COVID-19 disrupted the seafood market in Europe in our CBI news article.

Europe has a growing market for convenience and ready-to-eat products

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 adding value 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.

As more and more people buy convenience products, more processors will rely on pangasius fillet. For you as an exporter, this is an opportunity, if you are able to provide the processor with a standardised product in a form and shape that is easy to process.

Tip:

- Discuss with your buyer which countries and market segments offer opportunities for value-adding activities.

Sustainability certification gains momentum in Europe

Sustainability is an increasingly important topic for European consumers. This is particularly the case in the Northwestern European retail market, but is spreading across markets and regions. European consumers increasingly choose products that are produced in ways that protect the planet and the people involved in the supply chain. Sustainability certification is a way for companies to show these consumers that they live up to the sustainability promises they make.

Certification for pangasius is becoming increasingly important, as consumers are more and more conscious of sustainability issues related to fisheries and aquaculture.

Aquaculture Stewardship Council (ASC) certification has become the main sustainability certification scheme for pangasius in Europe. In 2020, approximately 44 pangasius farms were ASC certified. Providing ASC certification has become a necessity for gaining or maintaining access to large retailers and food service companies in Northern Europe. Some retailers in Southern Europe also see ASC certification as an opportunity to promote good practices and improve the image of their products.

In countries such as the Netherlands and Germany, the certification scheme has already become a buyer requirement for large retail and food service companies. Supermarkets are the driving force behind this demand for certified pangasius, and 99% of the products that Dutch supermarkets offer have sustainability certifications. There is also a growing number of restaurants that only sell seafood products with an ecolabel. It is expected that the number of restaurants selling only sustainable seafood will grow in the coming years.

Over the last years, the Global Sustainable Seafood Initiative (GSSI) has worked on a benchmark system for sustainability certifications. Through this, they ensure all GSSI-approved certifications are aligned with the FAO standard and are therefore the best to use. As more standards are included now, a lot of retailers (and other seafood companies) align themselves with GSSI. This provides an opportunity for you as an exporter, as more seafood certification schemes will enter the market, such as Best Aquaculture Practise (BAP) of the Global Aquaculture Alliance. However, most consumers are not yet familiar with these other standards, and retailers might therefore keep their focus on ASC for the time to come.

Tips:

- Visit the ASC website to learn more about the ASC certification and related ASC pangasius farms. On the ASC website, you can assess if ASC would be interesting for your pangasius product.
- Focus on Southern and Eastern Europe if you are not yet able to supply certified products. Buyers there have not yet made sustainability a common market access requirement.
- Read about the GSSI to understand its benchmark system and approved certifications.

Consumers want to know if their food is safely and fairly produced

As sustainability becomes more and more important, consumers also find it increasingly important to know where their pangasius comes from. Storytelling is an important way of letting consumers know that your product is produced safely and fairly. This goes beyond the sustainability certifications. Storytelling could encourage consumers to purchase your product and remain loyal to it.

If you tell them how your product is farmed or how your company got started, you can help consumers relate to the product and reach a larger market share, or a premium price setting. That is particularly important if you are exporting products in consumer-ready packaging.

Even if you export your products in bulk, the story behind your product can help your buyer, in this case the importer, to market it to the end user, making the product easier to sell. Importers might pay a premium for a good story.

To set your product apart, you need to show your customers and the end consumers that it is worth paying a good price for the special pangasius you offer. Combining a strong and verifiable story with a recognised sustainability certification gives you a competitive advantage in the European market.

In the short term, you can realise better margins if you market your pangasius as more sustainable or of higher quality than the pangasius of your competitor. In the long term, you can make and keep faithful customers. Think about the unique selling points of your product and production and how you can better promote them.

Tips:

- Find inspiration for your fish story at European seafood companies like Queens to create your own.
- The website youreverydayfish.com shows how to sell pangasius to the world. Learn from this website to find the unique selling points of your pangasius products.
- Study some companies selling other commodities like eggs, coffee or cheese to find ideas to optimise your fish story.
- Read the CBI Trends study to learn how the importance of storytelling, and other market trends, can help you to get your product on the European market.

The study has been carried out on behalf of CBI by Seafood TIP.

Please review our market information disclaimer.