THE BALTICS

Overseas Market Introduction Service on overview of seafood sector in the Baltics.

Sea Fish Industry Authority

OMIS BLT0126

First Activity

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CONTENTS

- Where a space has been provided for information but this is not filled (for instance the number of employees of a company), regrettably it has not been possible for the Embassy to find the relevant detail.

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EXECUTIVE SUMMARY

Summary of the Enquiry
It was agreed that UK Trade & Investment Baltics team would provide Seafish with the following information on the Baltics market:

Matching Profile, including:
- Business and trade environment;
- The seafood sector;
- Consumer trends;
- UK share and export opportunities.

Doing Business Profile, including:
- The supply structure;
- Retail Channels;
- Foodservice channel;
- Key regulations and tariffs;
- Tips and useful links.

Methodology
UK Trade & Investment has prepared this report using information obtained on a selective basis from the following sources: Business Directories; Internet research; Trade publications; Trade associations, governmental agencies and other relevant organisations; Industry contacts; Office of Statistics.

1. Matching Profile

1.1. Business and Trade Environment

	Lithuania	Latvia	Estonia
Population (in the beginning of 2013)	2 971 905	2 023 800	1 280 000
Land area	65 300 km²	64 573 km²	45,227 km²
Inhabitants per sq. km	45.5	31.3	Estonia is among the least densely populated countries in the world
Number of households	1.27 million	822 thousand	600 thousand
Capital	Vilnius	Riga	Tallinn
Other main cities	Kaunas, Klaipėda, Šiauliai, Panevėžys	Daugavpils, Liepaja, Ventspils	Tartu, Pärnu, Narva
Language	Lithuanian	Latvian	Estonian
Main Religion	Catholism	Catholism/Lutheran/Orthodox	Lutheran
Currency	Lithuanian Litas, pegged to Euro: 1 EUR = 3.4528 LTL	Euro	Euro
GDP at current prices, 2012	32.9 billion EUR	21.9 billion EUR	17.4 billion EUR

GDP growth (annual), 2012	3.7%	4.2 %	3.9%
GDP per capita, 2012	11,025 EUR	10,821 EUR	9,500 EUR
Annual inflation, 2012	3.2%	0.0 %	3.7%
Unemployment, as of 1 January 2014	11.1%	9.5 %	10.2%
International status	Member of the European Union (EU), WTO, OECD, NATO	Member of the European Union (EU), WTO, OECD, NATO and Eurozone	Member of the European Union (EU), WTO, OECD, NATO and Eurozone
Government type	Parliamentary democracy	Parliamentary democracy	Parliamentary democracy
Total imports, 2012	24.8 billion EUR	9.87 billion of EUR	13.8 billion EUR
Total exports, 2012	23,048 million EUR	12.5 billion of EUR	12.6 billion EUR
Top import countries, 2012	Russia, Germany, Poland, Latvia, the Netherlands	Lithuania, Estonia, Poland, Germany, Norway	Finland, Germany, Sweden
Top export countries, 2012	Russia, Latvia, Germany, Estonia, Poland	Lithuania, Estonia, EU, Russia, Nordics	Sweden, Finland, Russia

Source: Lithuanian Department of Statistics

1.1.1. Business and Trade Environment in Lithuania

Sources: National Paying Agency (www.nma.lt); Statistics Lithuania (www.stat.gov.lt); Bank of Lithuania (www.lb.lt), Lithuanian Labour Exchange (www.ldb.lt)

Lithuania's economy is the largest of the three Baltic States. Even though the GDP per capita expressed in purchasing power standards is below the EU average by 28%, it has been rapidly growing over the last years making a positive impact on the standard of living, and subsequently the consumers' behaviour.

The Lithuanian economy has not escaped the global economic slowdown in 2009, however the country has managed to get out of recession rather quickly and currently is among the fastest growing economies in the EU: it grew by 3.7% in 2012 and is forecasted to grow by 2.8% in 2013 and 3.5% in 2014.

Average annual inflation in 2013 was at its lowest since 2008 and equalled 1.0%. It was mostly influenced by an increase in prices for air transportation, vegetables, electricity, real estate rent, cold water, tobacco products, fruits and berries; and decrease of prices for audio and video equipment, data processing equipment, coffee, tea, cacao, heating energy, solid fuel.

Due to economic slowdown unemployment rate started to increase in 2008 and reached 17.8% in 2010. As economy has been getting back on track, unemployment rate has also been decreasing and is forecasted to do so in the foreseeable future. As of 1 January 2014 unemployment rate in Lithuania was 11.1%.

Export has been the main drive out of recession for Lithuania. In 2012 exports from Lithuania grew by 14.5%, which was the best result over the last 20 years, and exceeded export levels in 2009 almost twice (by 95.6%). A significant increase in foreign trade has also been noticed between Lithuania and the UK when in 2012 exports from the UK to Lithuania grew by 40%, and imports from Lithuania to the UK grew by 36%. The UK is Lithuania's 6th largest export market with exports worth 1.27 million EUR and Lithuania's 12th largest import partner, with 2.07% market share or 475 million EUR of imports from the UK.

Main export goods from Lithuania include: mineral products (fuels and oils), chemical products (fertilizers, pharmaceutical products), plastics, machinery and mechanical appliances, electrical machinery and equipment, transport vehicles and their parts, food, beverages and tobacco products. Main groups of products imported to Lithuania include: mineral oil and fuels, machinery and mechanical appliances, electrical machinery, transport vehicles, base metals, food products, textiles.

Even though exports in 2013 were higher than in 2012, they were slowing down and domestic demand has started to play a more important role in economic expansion. Having accelerated in the beginning of 2013, domestic demand should continue to grow. Economic growth is particularly related to private consumption, which was affected by the improved financial situation of households due to an increase in labour and property income.[1]

Another important factor significantly influencing Lithuanian economy is the EU financial support, which in 2007-2013 reached 6.7 billion EUR. 54.71 million EUR of this amount was allocated for

[1] Source: Bank of Lithuania

development and enhancement of the competitiveness of Lithuanian fisheries sector. The EU financial support for Lithuania in 2013-2020 will reach 6.8 billion EUR.

As of 30 June 2013, cumulative FDI in Lithuania amounted to EUR 12.3 billion. The largest investment in Lithuania was made by investors from the following countries: Sweden (22.5%), Poland (10.7%), Germany (10%), Netherlands (8.7%), and Norway (6.2% of the total FDI).
The largest investment was made in manufacturing — 24.6%, financial and insurance activities — 21.8%, real estate activities — 12.3%, wholesale and retail trade, repair of motor vehicles and motorcycles — 11%, information and communication activities — 9.4 % of the total FDI. In manufacturing, the largest investment was made in the manufacture of refined petroleum products, chemicals and chemical products (46.2% of the total FDI in manufacturing) and basic pharmaceutical products and pharmaceutical preparations —(13.2%).

As of 30 June 2013, Lithuanian cumulative DI abroad amounted to EUR 1.9 billion. The largest investment was made in the Netherlands — (23.7%), Estonia — (15%), Cyprus — (13.5%), Latvia—(11.4%), and Poland — (7% of the total Lithuanian DI abroad). The largest investment abroad was made by Lithuanian enterprises in trade, repair of motor vehicles and motorcycles (13.6%), transportation and storage activities (9.2% of the total Lithuanian DI abroad).2

Around 67% of people in Lithuania live in urban areas. Lithuanians account for 84.0% of the total population, Russians - 4.9%, Poles – 6.1%. Vilnius is the capital and financial and commercial centre of Lithuania. Other major cities include Kaunas, Klaipėda, Šiauliai and Panevėžys. Klaipėda is an attractive seaport, connecting the main transportation corridors between the East and the West. Klaipėda State Seaport is the northernmost ice-free seaport in the Baltic sea.

1.1.2. Business and Trade Environment in Latvia

Latvia is located at the crossroads of northern and eastern Europe, on the East Coast of the Baltic Sea. The Republic of Latvia is bounded by Estonia to the north, Russia and Belarus to the east and Lithuania to the south, and has a maritime border with Sweden to the west. Other neighbouring countries include Finland, Poland and Germany. The strategic location of Latvia has been the major influence on the country’s diverse historical and cultural experiences.

After rapid economic growth lasting for several years (in 2005-2007 average annual increase rate of GDP was nearly 11%), economy of Latvia went into recession. Recession in Latvian economy was greatly determined by processes of global financial crisis, which significantly decreased both Latvia's domestic and external demand.

The government has developed the *Economic Stabilization and Growth Revival Program of Latvia* (approved by the Saeima on December 12, 2008) in co-operation with the European Commission (EC) and International Monetary Fund (IMF), which have been providing structural changes for sustainable economic development in the future. The agreement with the EC and IMF also envisages appropriate attraction of financial resources in the amount of EUR 7.5 billion, in order to solve the potential liquidity problems. The government has observed a strict fiscal policy aimed at fulfilment of the Maastricht criteria and has received an invitation to join the euro zone in 2014.

The Program was successfully closed in December, 2011. That means Latvia has fulfilled its obligations towards the EC and IMF and will look forward to refinance its further deficit by issuing

[2] Source: Bank of Lithuania

state bonds thorough international capital markets. Latvia's return to the capital markets has been successful – full set of initial placement of Latvia's Eurobonds have been sold at total value of 1 billion of USD and coupon rate at 5, 25%.

1.1.3. Business and Trade Environment in Estonia

Estonia is a small but dynamic country, which in recent years has made a name for itself for innovation in e-commerce and e-government. The population of 1.29 million is divided ethnically with 68% Estonian, 25% Russian and 7% other. It is the smallest and the most northerly of the Baltic States. Estonia borders Russia to the east and is only 80km south across the Gulf of Finland from Helsinki. The official language is Estonian, though in specific areas a significant number of the population speak Russian.

The Estonian economy managed the eurozone crisis well, having already implemented austerity measures much earlier than most of Europe. Estonia is proud of its low government debt, with a budget deficit of just 1.2% of GDP in 2012. Scandinavian countries are by far the biggest trading partners, although Estonia's border with Russia means Russia is a significant (and growing) source of trade and tourists. UK exports to Estonia have grown from 200 million EUR in 2010 to more than 500 million EUR in 2012.

1.2. The Seafood Sector

1.2.1. Seafood Sector in Lithuania

The total seafood catch by Lithuania's fishing fleet has decreased by 39% over the last 5 years and in 2012 equalled to 72,509 tonnes. Most seafood catches are carried out in South East Atlantic (Mauritanian EZ) and the Baltic Sea.

In 2012 there were 3 Lithuanian fishing vessels fishing in the economic zone of the Islamic Republic of Mauritania, where the largest amount of fish was caught. Their total catch was 23,225 tonnes of pelagic fish, most of which were sardinella, horse mackerel, sardines, and West African mackerel.

Table 1: Total Lithuanian catch, 2008-2012, tonnes

	2008	2009	2010	2011	2012
Total	187,060	173,171	153,065	141,847	72,509
North West Atlantic	1,517	-	925	1,009	708
North East Atlantic	12,662	9,164	4,316	6,434	3,725
South East Atlantic (Mauritanian EZ)	73,059	74,160	96,533	66,133	23,225
Baltic Sea	23,486	26,792	15,537	15,991	16,827
Curonian Lagoon	1,240	886	925	1,138	955
Inland waters	361	430	382	337	659
Pond farms (aquaculture)	3,008	3,421	3,216	3,287	-
Greenland EZ	-	182	618	-	694
Marocan EZ	47,671	36,857	18,297	16,445	-
Pacific Ocean	24,056	21,279	10,296	-	-
Guinea EZ	-	-	-	-	13,118
Senegal EZ	-	-	-	-	12,598

Sources: Statistics Lithuania (www.stat.gov.lt), the Environmental Protection Agency (www.gamta.lt)

In 2012 the Lithuanian fishery companies caught 16,827 tonnes of fish in the Baltic Sea. The main commercial species in the Baltic Sea have been sprat, cod and herring, which in 2012 accounted for 67%, 15%, and 14% of the total catch respectively.

Table 2: Total Lithuanian catch in the Baltic Sea, 2008-2012, tonnes

	2008	2009	2010	2011	2012
Total	23,486	26,792	15,537	15,991	16,827
Sprat	18,295	19,515	10,223	9,731	11,245

Cod	2,614	2,818	3,199	3,057	2,483
Flounder	665	499	502	450	648
Baltic herring	1,793	3,807	1,557	2,656	2,276
Other	119	153	56	97	175

Sources: Statistics Lithuania (www.stat.gov.lt), the Environmental Protection Agency (www.gamta.lt)

The majority of Lithuanian fishing vessels were built 30-40 years ago and need to be renewed. As of 1 January 2013, there were 148 vessels fishing with the Lithuanian flag. Their capacity totalled to 45,216.4 tonnes, and the total engine power was 34,388.97 kW. The majority of fishing vessels in Lithuania are small, not longer than 12 meters and aimed at fishing in coastal waters. In the beginning of 2013, 108 vessels had the right to fish in coastal waters of the Baltic Sea, 32 vessels – in open Baltic Sea waters, and 8 vessels, - in other seas/ oceans.[3]

Lithuanian territorial waters and the economic zone of the Baltic Sea make up an area of around 6,400 sq. km. Other waters include the Curonian Lagoon (382 sq. km), lakes (914 sq. km), ponds (240 km2) and rivers (total area: 332 sq. km). Inland waters account for 4% of the country's territory.[4]

Klaipėda, Lithuania's only commercial port, is situated where the Curonian Lagoon meets the open sea. It is the northernmost ice–free port on the Eastern coast of the Baltic Sea and is the most important and biggest Lithuanian transport hub, connecting sea, land and railway routes from East to West. It is a multipurpose, universal, deep-water port. Its annual capacity is 40 million tons of cargo. The port can accommodate vessels up to 315 m in length and with a maximum draught of 13.5 m. 17 large stevedoring companies, ship repair and ship-building yards operate within the port as well as all types of marine business and cargo handling services.

The second seaport in Šventoji is under reconstruction. Restoration of the port would accommodate small leisure boats and yachts, thereby giving a boost to tourism development in Šventoji. The port will also be used by local fishermen; it will have quays for specialised vessels: rescue, oil spillage containment, fire-fighting, marine environment, fish breeding, state border guard service.[5]

According to the EU requirements, primary fish purchase is conducted by the registered primary fishery products buyers, auctions or fish processers. As of 1 January 2014, there were 174 primary fish buyers registered in Lithuania. During the primary sales, six kinds of fish caught in the Baltic sea are most often sold in Lithuania. Part of the fishing companies (especially those fishing in offshore waters) sell fish in other countries. In the course of 2012 in Lithuania 2,400 tonnes of cod (live weight), 503 tonnes of flounders, 887 tonnes of Baltic herring, and 124 tonnes of sprat were unloaded and supplied for primary purchase. Major part of sprat and Baltic herring was unloaded and supplied for primary sales not in Lithuania.[6]

According to preliminary data, in 2012 the Lithuanian companies exported 92.3 thousand tonnes of fishery products (almost 10 thousand tonnes increase from 2011) for 303.12 million EUR and imported 110.8 thousand tonnes (20 thousand tonnes increase from 2011) worth 277.2 million EUR. Growth of imports was encouraged by the opportunity for re-exporting of some imported products to the neighbouring markets due to the improved economic situation in those countries.

[3] Source: Fisheries Service under the Ministry of Agriculture of the Republic of Lithuania
[4] Source: Environmental Protection Agency
[5] Source: Port of Klaipeda
[6] Source: Fisheries Service under the Ministry of Agriculture of the Republic of Lithuania

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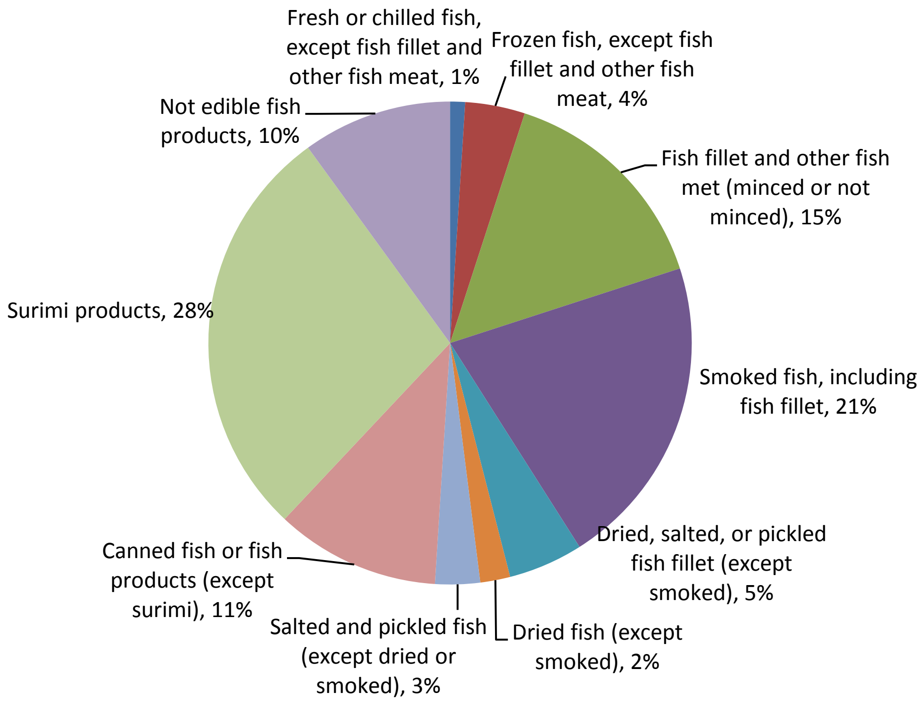
Exports of fish and shellfish in 2012 accounted for 5.0% of the total export value of agricultural and food products. If compared to 2011, the value dropped by 2.3%. Products of Lithuanian origin accounted for 83% of the total exports of fish and shellfish. 93.1% of fish and shellfish exports from Lithuania went to the EU countries.[7]

In Lithuania, major part of raw fish is imported, and majority of produced fish products is exported. Sea fish is the main fish processed in Lithuania. This includes herring, cod, salmon and other kinds of fish. Surimi products make up around 28% of all fish products produced in Lithuania, fish fillet and other fish meat – 15%, smoked fish – 21%, canned fish or other fish products (except of surimi) – 11%.

In 2012 Lithuania imported 39 thousand tonnes of frozen fish (12% increase from 2011), of which 23% was re-exported, 29 thousand tonnes of fish fillet (8% decrease from 2011), of which 18% was re-exported. The main fish and shellfish import partner in 2012 was Sweden, imports from which accounted for 30%. Other important fish and shellfish import partners were Norway (11%), Germany (11%), Latvia (6.1%), Kazakhstan (6.1%), and China (4.1%).

As of 1 January 2014 there were 36 fish processing companies operating in Lithuania. Surimi products accounted for the major share of fishery fish processing market.

Chart 1: Fish processing sector in Lithuania
Sources: Agriculture Information and Rural Business Centre



[7] Source: Lithuanian Institute of Agrarian Economics

1.2.2. Seafood Sector in Latvia

The total production of seafood products in Latvia decreased by 19% in 2012 in comparison to 2011. That was mainly caused by a decrease of processing of frozen and chilled seafood products, whereas the prefabricated and canned seafood production increased by 9.7%. Overall, the processing of the seafood makes up 11% of the total food and drink manufacturing sector in Latvia.

Total volume of processed seafood including canned production was 138 thousand tons in 2012. It is worth noting that at the same level of volume, the price level increased by 6.7% and total value of processed seafood products in 2012 was 156.9 million EUR. The most significant increase in value was in the group of prefabricated and canned products - 14.8%.

Regarding the value increase by species of seafood, the main increase was in canned seafood products made from herring (18%) and sardines, sardinellas and sprats (8%).

Despite of the increase of value and volume of canned seafood products, production of other seafood products have decreased dramatically, i.e. the production volume of these products in tonnes decreased by 39% in 2012 and totalled to 81.9 tonnes. In addition, value of these products decreased by 14%. The main reason behind such changes was a lower volume of Latvian fish catch in far sea due to not prolonged Treaty between EU and Mauritania. Same reasons influenced Latvian ability to fish in the waters of Morocco. Therefore during 2012 the total far sea catch decreased by 2/3 in comparison to 2011.

Table 3: Latvian domestic Baltic Sea catch

Year	2010	2011	2012
Species			
Fish, molluscs, crustaceans, including:	165.4	155.9	90.4
Sprat	45.9	33.4	30.7
Baltic Herring	21.4	22.8	20.1
Cod	5.2	4.9	4.3
Other fish	91.9	94.4	34.7
Crustaceans and mollusc	1	0.4	0.5

Source: Central Bureau of Statistics of Latvia

In general, seafood industry is one of the most traditional and export capable branches of the economy of the country. Latvian seafood industry production was exported to 54 countries and reached the value of 200 million EUR in 2012. At the same time it should be pointed out that this value also consisted of significant influence of salmon family products re-exported from Latvia.

The trade balance of seafood industry in Latvia is positive, reaching 47 million EUR and in comparison to 2011 has increased by 1.5 times.

1.2.3. Seafood Sector in Estonia

Fisheries sector in Estonia is versatile and includes both deep sea, costal, inland and fish farming. Most fish is today caught in the Baltic Sea coastal and open sea area. Most important from the economic perspective are sprat and Baltic herring as these are also the main raw material for Estonian fish industry. Estonia has managed to bring its fishing fleet into compliance with fishing capacity and fish resources. The renovation of fishing gear and vessel modernization has been supported to a substantial extent.

Chart 2: Structure of commercial fishing and fish farming in Estonia, 2011 (%)
Source: Ministry of Agriculture

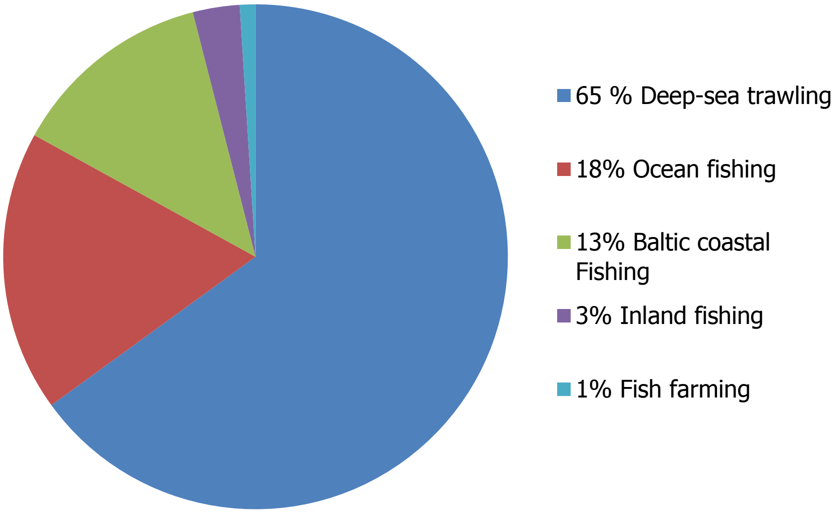


Table 4: Baltic Sea fish catch (tonnes, live weight)

Year	2009	2010	2011	2012
Fish total	**83548.2**	**79572.3**	**63351.4**	**52213.1**
European sprat	47298.5	47861.7	34976.3	27697.3
Baltic herring	33164.5	28861.8	25325.2	22047.4
Atlantic cod	820.7	796.1	1179.8	689.0
European perch	809.5	878.8	796.2	549.8
European smelt	771.3	452.3	200.2	406.4
Flounder	287.7	285.0	280.2	243.0
Pike-perch	66.7	73.4	110.5	146.8
Other fish	79.2	88.8	123.8	142.4
Silver bream / roach	81.2	88.1	105.8	111.1
Vimba	23.1	29.8	50.1	53.2
Northern pike	13.3	22.8	32.1	35.4
Garfish	71.1	86.0	117.7	25.0
Pollan (=powan)	22.6	15.5	14.6	20.4
Sea trout	14.1	12.3	13.5	17.3
Freshwater bream	4.5	3.6	7.6	11.1
Atlantic salmon	5.4	3.8	3.8	5.3

Ide (fish)	8.7	6.3	6.1	4.5
Eelpout	0.1	0.8	3.2	3.8
European eel	4.3	3.5	2.2	1.9
Burbot	1.3	1.3	1.6	1.7
European river lamprey	0.2	0.6	0.9	0.4

Sources: Ministry of Agriculture

Table 5: Ocean fish catch (tones, live weight)

Year	2009	2010	2011	2012
Fish total	**10881**	**12844**	**14589**	**11991**
Shrimps	8587	9037	9919	7576
Squids	5	43	329	1248
Atlantic redfish	1748	1340	1075	368
Atlantic cod	128	93	105	285
Greenland halibut	300	441	279	266
Skate	29	228	82	161
Roughhead grenadier	41	93	116	72
American plaice	29	9	36	37
Witch flounder	8	11	14	33
Yellowtail flounder	0	4	13	32
Atlantic halibut	0	3	3	10
Wolffishes	5	12	0	0
Red hake	0	19	0	0
Other fish	1	1510	2618	1902

Sources: Ministry of Agriculture

Table 6: Inland waters fish catch (tonnes, live weight)

Year	2009	2010	2011	2012
Fish total	**2830**	**2769**	**2650**	**2969**
European perch	820	1217	777	1077
Pike-perch	723	534	711	681
Freshwater bream	782	574	677	681
Silver bream / roach	211	223	246	223
Northern pike	102	85	135	203
European river lamprey	59	40	39	45
Burbot	30	29	32	25

Other fish	81	49	17	15
European eel	16	14	13	15
European cisco	1	1	1	2
Orde(Ide)	1	1	1	1
Houting	3	1	0	0

Sources: Ministry of Agriculture

Table 7: Sales of domestically produced fish and seafood in Estonia (tonnes, live weight)

Year	2009	2010	2011	2012
Species total	**654.8**	**598.5**	**392.6**	**370.8**
Rainbow trout	549.0	487.5	333.8	245.3
Other fish	26.1	49.6	17.9	86.8
Carp	45.4	39.4	37.5	38.2
Caviar	7.4	4.5	0.1	4.1
Pike	0.5	0.1	0.1	0.1
Tench	0.0	0.3	0.2	0.1
Roach	0.5	0.3	0.2	0.1
Crayfish	2.0	0.4	0.6	0.1
Perch	1.3	0.6	0.3	0.0
European eel	30.0	20.3	2.0	

Sources: Ministry of Agriculture

*The sale of European eel in 2012 is included into the group Other fish.

Table 8: Production of fish products (thousand tonnes)*

Year	2009	2010	2011	2012
Total	**73.3**	**62.1**	**56.8**	**2012**
Fresh or chilled fish fillets (incl. fish meat without bones)	4.1	3.7	2.5	72.4
Frozen fish	34.6	35.5	32.8	2.6
Smoked fish	3.2	1.4	1.9	44.2
Salted, dried fish; fish in brine	25.1	19.8	16.5	2.3
Culinary products from fish	1.7	1.5	1.3	17.3

Sources: Ministry of Agriculture

*excl. canned fish

1.3. Consumer Trends

1.3.1. Consumer Trends in Lithuania

Sources: Sustainable Development Society (www.tvari.lt); Social Research Centre (www.lstc.lt); 15min.lt (www.15min.lt).

A survey conducted by the Sustainable Development Society in Lithuania revealed that fish and fish products make up around 20% of the overall food ration, while shellfish and caviar is consumed rarely and makes up around 4% and 0.3% respectively. In general, nearly all residents of Lithuania eat fish (97 %), while every second eats shellfish (52 %) or caviar (50 %).

A tradition of cooking at home is still very popular in Lithuania, although the trend is that it is becoming more and more popular to eating out.

The Survey by Social Research Centre shows that only 10% of Lithuanians consume fish 2-3 times per week, 20% consume fish once a week, 23% - once per month, 9% - several times per year, 6% do not eat it at all. In addition, fish is more often consumed by elder people, those with higher education, higher positions, and higher income.

The average consumption of fishery products in Lithuania is 19.2 kg per capita per year, or 28.8 kg per household per year. 37% of household consume 1-3 kg fishery products per month, every forth (26%) household consumes 3-5 kg fishery products per month, 8% of households consume 5-10 kg, 4% consume 10kg or more per month. 17% of households consume very little, up to 1 kg of fish products per month.

The Lithuanians more often consume live, frozen, or processed (smoked, dried, canned, etc.) fish, and less often – chilled fish and shellfish. Most popular kinds of fish in Lithuania are carps (farmed, consumed by 47%) and salmon (mostly farmed, consumed by 45%). Other popular kinds are perch (23%), trout (farmed, 21%), pangasia (farmed, 19%).

The Lithuanians mostly favour live (32%), dissected fish (31%) or fillet (31%). Eel is the most preferred in smoked form. Among the main reasons behind consumption of live fish is a considerably lower price for live carp, pike, trout, sturgeon and other fish to compare to the same kinds of dissected fresh chilled fish.

Surveys show that Lithuanian residents mostly note the lack of a broader choice of live (26%) and fresh chilled (22%) fish. Given equal price and acquisition potential, Lithuanians would consume more fish but would still mostly want live (35%) and fresh chilled (36%) fish. People would consume more fish of nearly all species, in particular salmon (31%).

The main selection criteria when choosing fishery products are price (89%), organic qualities (84%) and fish species (79%), while the least significant criteria are sea or freshwater fish (44%) and the type of packaging (57%).

Even though majority of Lithuanians claim that they prefer caught fish to farmed one, the most popular kinds of fish suggest that farmed fish is most popular in Lithuania and the consumers most likely are not aware, which fish is farmed, and which is caught in natural environment.

The Lithuanians usually buy fish and seafood in supermarkets and shops (56%). Around 15% of Lithuanians catch fish themselves.

The 37% of people in Lithuania who do not eat fish say that they cannot afford it. Majority of Lithuanians (86%) eat fish and seafood whenever they want to, while 14 % can afford fish or shellfish on holidays and special occasions only.
Representatives of the major shopping chain in Lithuania, Maxima, commented that in addition to the most popular kinds of fish – live carp (35% of all live fish) and salmon (30% of all live fish), consumers also buy pickled and ready to cook fish. In addition, consumption of fish has been gradually increasing. Due to local traditions fish and shellfish are consumed more often on Fridays, also in December, around Christmas, when fish is preferred more than meat, so fish and shellfish sales around that time increase by up to three times.

Market experts also notice that over the last 15 years consumers' habits to eating out have been changing and food culture has improved. When going to catering places, the Lithuanian consumers are increasingly better aware of what they want when choosing food, pay more attention to its quality and are looking for a wider variety of food. However, around half of consumers still put price above other factors when choosing meals.

Another trend – an increasing number of Lithuanians are looking for healthier food options, eat more vegetables, fruits, fish. More attention is paid to the way meals are prepared, how much fat and salt is being used. In addition, vegetarian, vegan, and raw food eating trends are gaining popularity in the market. In general, slow food culture is getting its way in Lithuania. Following an increasing interest in food quality, people are looking for a wider variety of wines, beer, whiskey, champagne and other drinks, also pay more attention to their features, quality.

1.3.2. Consumer Trends in Latvia

General trend amongst consumers in Latvia is to pay more attention to the content, origin and quality of the food, including the seafood and fishery products. History and traditions of consumption of the very broad range of domestic sea and fresh water products in stores and restaurants in Latvia makes this market attractive for the suppliers of niche products from the UK. That is an opportunity for UK exporters of preserves, canned and frozen seafood products.

Niche products, like shellfish, molluscs and similar might be well perceived in HORECA sector and the best way to promote the products is to find a trustworthy distributer. According to Eurofish, www.eurofish.dk, survey, the niche seafood products have the bigger opportunities of growth than any other type of the seafood.

Consumption level of the seafood products has not been changing over the last 4 years.

Table 9: Consumption level of seafood products in Latvia

Year	2009	2010	2011	2012
Consumption (per head of a member of a household per year, kg)	6.6	6.0	6.0	6.6

Source: Central Bureau of Statistics of Latvia

1.3.3. Consumer Trends in Estonia

Seafood consumption has a long tradition in the Estonian culture however the amount is lower than the EU average. Estonians consumed about 10.5 kg per person in 2010 as the EU average is 24 kg per capita per annum. About 0.7 kg consumption of fish from hobby anglers' own catches should be added.

According to the statistics of fish consumption in 2010, fresh and frosen fish products make about 41% , salted or smoked fish make 31%, fish sticks make about 9%, preserved 7% and fish fillets make 1,5% of the overall fish consumption. Statistics shows that around half of the population consumes fish at least once a week, 26% at least once every second week and about 1% do not consume fish at all.

The price of fish products has increased continuously during the last ten years. The most has increased the fish fillet by 56%, preserves by 47%, smoked fish by 29% and the most modest increased was by 3% of fish sticks and burgers. This fact has influenced the consumption of fish products whereas the consumption of sticks and burgers has stayed at the same level. Consumption of more premium and expensive types of seafood are mainly consumed by the population living around the capital due to the higher income.

Baltic herring is considered to be the 'national fish' and it is included in several traditional Estonian meals. Other popular species includes Atlantic herring, Baltic sprat, salmon, rainbow fish, cod, eel, trout, redfish and pike.

1.4. UK Share and Export Opportunities

1.4.1. UK Share and Export Opportunities in Lithuania

Sources: Ministry of Agriculture (www.zum.lt), Fisheries Service under the Ministry of Agriculture of the Republic of Lithuania (www.zuv.lt), HM Revenue and Customs (www.hmrc.gov.uk)

Fish and shellfish exports from the UK to Lithuania in 2012 amounted to 812 tonnes (203% increase from 2011). Main fish exported from the UK to Lithuania was mackerel, which amounted for 782 tonnes in 2012 (227% increase from 2011). Other exported fish included herring (19 tonnes), salmon (4 tonnes), other fish (5 tonnes), shrimps & prawns (2 tonnes), and other shellfish (1 tonne).

Considering that around 90% of raw fish in Lithuania is imported, suppliers of raw fish have good opportunities in the market.

Even though many Lithuanian consumers are price sensitive, the standard of living has been increasing and so has the purchasing power and consequently consuming habits. As a result, consumers are increasingly looking for not so common fishery products: sea bream, roach, flounder, vimba bream, also chilled or boiled and frozen shrimps and prawns. This area may also offer good business opportunities for UK exporters.

1.4.2. UK Share and Export Opportunities in Latvia

The UK's share in the trade balance of seafood is shown in the table below.

Table 10: UK's share in seafood trade balance

Prodcom code in 4 digit format	Name of the group of the product	Imports from the UK (in EUR)	% from total imports of seafood in Latvia	Exports to the UK (in EUR)	% from total exports of seafood from Latvia
0301	Fresh Fish	0	0.00	0	0.00
0302	Fish, fresh or chilled, excluding fish fillets and other fish meat	35,091	0.07	0	0.00
0303	Fish, frozen, excluding fish fillets and other fish meat	1,373,574	5.07	53,354	0.30
0304	Fish fillets and other fish meat	327,111	2.12	2,933	0.01
0305	Fish, dried, salted or in brine; smoked fish	39,810	0.19	1,714	0.14
0306	Crustaceans, fresh, chilled, frozen, dried, salted or in brine; smoked crustaceans,	649,646	8.98	0	0.00
0307	Molluscs, whether in shell	31,745	2.19	0	0.00

	or not, live, fresh, chilled, frozen, dried				
Trade Balance		2,456,977	1.98	58,001	0.06

Source: Central Bureau of Statistics of Latvia

Taking into account that seafood industry in Latvia is very much export oriented, the most valuable opportunities for UK companies are to sell frozen or chilled fish products for Latvian processing companies for further exports to CIS and other EU or third countries.

There will be also quite significant resources available to improve seafood industry in Latvia. During the next EU funding planning period in 2014-2020, one of the priorities for Latvia will be sustainable and efficient development of fishing industry and aquaculture.

1.4.3. UK Share and Export Opportunities in Estonia

The share of agriculture, forest management and fishing in GDP was 3.2% in 2012. Estonian fishermen catch most of the fish from the Baltic Sea, but also inland catches and production of fish farms are represented in the industry and trade. 75% of Estonian fisheries production goes for export. Export of fish made 14% of the total export of food products in 2012 totalling 121 million EUR (178 thousand tons)

Import of fish made 9% of the total import of food products in 2012 totalling 75.29 million EUR (38.66 thousand tons). More premium fish products (more expensive) are imported than exported as the average price per kilo shows the higher price for imported products.

Table 11. Estonian imports and exports of seafood 2010

	Export		Import	
Group	Weight (thousand tonnes)	Value (M EUR)	Weight (thousand tonnes)	Value (M EUR)
Frozen fish	78.24	31.88	9.45	8.34
Fish fillet	3.30	23.01	6.63	15.34
Crustaceans	15.26	29.59	34.92	10.89
Canned fish	29.53	32.17	10.23	22.47
Chilled fish	1.39	3.46	6.34	14.58
Dehydrated, marinated, smoked	2.32	10.41	0.43	1.79
Live fish	0.03	0.26	0.03	0.34

Sources: Ministry of Agriculture

Fish farming is compensating more and more for decreasing fish resources which main directions are commercial fish farming and fish farming for restocking of natural waters. Estonian aquaculture largely depends on the import of juvenile fish and roe, because Estonia has few centres for the reproduction of breeding material. Today Estonia farms about 750 tons and sells about 370 tons of aquaculture products.

Table 12. Implementation of the European Fisheries Fund in 2007-2012 (million EUR)

	Budget	Paid
For adjustment of Community fishing fleet	20.4	9.9
For aquaculture, inland fishing, processing and marketing	32.8	16.4
For sustainable development of fisheries areas	25.7	11.7

Sources: Ministry of Agriculture

Despite some drawbacks (including a small market, processors preferring domestic raw materials and increasing transportation costs), the Estonian market could be rewarding for UK exporters. According to trade sources, both processors and importers are interested in buying seafood from UK suppliers. In particular, joint ventures and partnerships are sought in order to address cost issues.

2. Doing Business Profile

2.1. The Supply Structure

2.1.1. The Supply Structure in Lithuania

The British exporters willing to supply the major fish processing companies, may consider contacting them directly as they usually import raw fish themselves.

Table 13. Main fish processing companies in Lithuania

Company contacts	Description
Viciunai Group Tel: +370 37 314 484 www.viciunaigroup.eu	Viciunai Group, established in 1991, is one of the largest and economically powerful producers of crab taste sticks, surimi products and fish in Europe. Viciunai Group consists of 47 companies in 17 countries. The group's product range contains more than three thousand different items sold under brand names Viči, Esva, Columbus and other trademarks. Viciunai Group sales are 85 percent export.
Norvelita, UAB Tel: +370 428 53993 www.norvelita.lt	Lithuanian and Norwegian joint company Norvelita, founded in 1995, is one of the biggest and well-known Lithuanian processing companies that produces a wide variety of products for the domestic and foreign markets. Today Norvelita processes three product categories: smoked and marinated salmon, salted and marinated herring products, and hot smoked fish products. Salmon is the most important product in terms of volume accounting for 70% of the production.
Iceco, UAB Tel: +370 343 92745 www.iceco.lt	Iceco is an expert of top-quality ice cream, frozen desserts and fish products in Lithuania. The company owns a few of well-known trademarks - Aurum, Tirpukas, Zigmas and Junga. The company exports approximately 70% of its products to the EU countries and the USA.
Lignesa, UAB Tel: +370 446 62005 www.lignesa.lt	Lignesa was established in 1995 and since then processing and conservation of fish and fish products have been its main activities. The company processes sea fish most of which is imported from Norway, Sweden, Iceland, Argentina and Canada, as well as fish, captured in the Baltic Sea and the lakes of Lithuania. Herring, mackerel, salmon, hake, sea bass, cod, carp, bream and other fish products make the largest part of the company's production.

Espersen Lietuva, UAB Tel: +370 700 55299 www.espersen.lt	Espersen is a world leader in the processing of frozen fish blocks, frozen fillets, specials cuts, and breaded and deluxe puff pastry fish products, with modern production plants and non-production units in Denmark, France, Lithuania, Poland, Russia and Spain as well as in China, Hong Kong and Vietnam. The company is an internationally recognized supplier of high quality fish products. The products are tailor-made private label products; however, the company does not have its own locally branded products.

Source: UKTI

A full list of fish processing companies operating in Lithuania is available at: http://www.zuv.lt/index.php?957141.

All major retail chains have their import divisions so could be good business partners for exporting goods to Lithuania. Please see more information about major retail chains in 2.2.1. part of this report.

In order to supply smaller fish processing companies, catering companies, or offer not so common/more niche products to the market, contact with importers/wholesalers might be a more effective option.

Table 14. Main fish importers/distributors operating in Lithuania

Company contacts	Description
Bidvest Lietuva, UAB Tel: +370 37 490790 www.nowaco.lt	Bidvest Lietuva, founded in 1999, is one of the leading distributors of frozen and chilled food for the retail, wholesale and Horeca sectors in Lithuania. The company's brand Nowaco is the second best-known brand of frozen fish in Lithuania. Bidvest has nearly 1000 items in its assortment.
Kauno Žuvis, UAB Tel: +370 37 452446 www.kaunozuvis.lt	State joint stock company Žuvis was founded in 1994 and re-registered as Kauno Žuvis in 2000. Company's main activity - wholesale trade of fish, real estate rentals and cargo handling (loading/unloading).
Iceco, UAB Tel: +370 343 92745 www.iceco.lt	Iceco is an expert of top-quality ice cream, frozen desserts and fish products in Lithuania. The company owns a few of well-known trademarks - Aurum, Tirpukas, Zigmas and Junga. The company exports approximately 70% of its products to the EU countries and the USA.
Fibex, UAB Tel: +370 5 2756585 www.fibex.lt	Fibex, established in 2010, is an importer of frozen fish products. The company serves large shopping centres in Lithuania, Latvia and Estonia.

Baltic Fisher, UAB Tel: +370 640 40480 www.balticfisher.lt	Baltic Fisher is a modern company which specializes mainly in international trade of frozen fish and seafood. The company offers a wide range of frozen fish products from international producers (Norway, Denmark, Spain, Germany, Peru, Argentina, Ecuador, China, Vietnam, Australia, New Zealand, etc.). Companys' activities are focused on Russian market, as well as clients and partners from Kazakhstan, Azerbaijan, Ukraine and other countries.

Source: UKTI

2.1.2. The Supply Structure in Latvia

During 2012, imports of seafood products has stayed approximately at the same level as in 2011, reaching 53.1 million of tons in terms of volume and 131 million EUR in terms of value.

Table 14. Import of the seafood products in Latvia, 2012

Country	% of the imports (sorted from lowest to highest)
Spain	2.9
Finland	3.6
Denmark	3.9
Morocco	5.3
Poland	6.9
Other countries	11.5
Estonia	12.5
Norway	12.9
Lithuania	16.9
Sweden	23.6

Source: Central Bureau of Statistics of Latvia

Interesting fact is that Poland has appeared into the import balance of seafood products with significant 6.9% share. This is the first time when Poland was registered as a supplier.

General rules of the free trade within EU apply in Latvia, as well as in other Baltic States. In order to legally sell to Latvian processing companies or any other legal entity, a UK company must have the status as 'approved company' before to sell any goods. The status can be obtained at the local food and veterinarian authority.

As of January, 2014, there were 105 approved companies in Latvia fully legitimate to buy, process and sell seafood products in Latvia and the EU.

Table 15. The biggest fish companies in Latvia

Company contacts	Description
Gamma-A Tel: +37167615142	Turnover in 2012 - 35.7 million EUR Enterprise "Gamma-A" specializes on manufacture of high-

www.gamma-a.lv	quality tinned fish products. Production assortment totals more than 140 names, among which: smoked sprats, smoked smelts, sardines, mackerel, herring, sardinell, pate from the smoked sprats, cod liver. Company also produces cans for the food industry.
Karavela Tel: +37167496400 www.kaija.lv	Turnover in 2012 - 20.6 million EUR. Company is one of the biggest fish processing companies in Baltic States with rich history and continuous future plans for development. Company has successfully introduced their own brand: Arnold Sorensen. They also process products for private labels as well.
Brívais Vilnis Tel: +37164000210 www.brivaisvilnis.lv	Turnover in 2012 - 13.9 million EUR. JSC "Brivais vilnis" is the first company in the Baltics which was complied certification of EU Directive 91/493/EEC which permits the company to export goods to EU member states. JSC "Brivais vilnis" was the first Baltic fish processing company which started producing canned fish in lithographed Hansa 190g and Dingly 100 g easy-open cans.

Source: Register of Enterprises of Latvia

The full list of the approved companies in seafood industry in Latvia can be found at: http://www.pvd.gov.lv/eng/main_menu/registers/latvian_approved_and_registrat/lists_of_approved_food_establi

2.1.3. The Supply Structure in Estonia

The number of companies active in the seafood sector in Estonia has been decreasing year by year. The number of companies active was 85 on 2012. For example if the license of fish catching was given to 53 enterprises in 2007 then only 25 was issued in 2012. The main reason behind that is the decrease of fish resource available. The number of recognised processor is 6 companies and more 12 newcomers were registered in 2012. The number of businesses is also changing as some firms are closing down due to the increasing competition or being taken over. Most processing businesses are located on the shore of the Baltic Sea. Harbours and other logistical services have gone through a rapid development in the past ten years and continuous improvements are achieving the goal of providing modern logistical solutions for trading activities in the region.

Larger processors usually import directly from foreign exporters for further processing purposes, while the retail and the catering channels are mostly supplied by importers/wholesalers.

Due to the increasing competition and continuously increasing operating costs, the price of raw material is important to seafood suppliers. The quality is one of the key requirements. In the opinion of seafood importers/wholesalers the availability of a wide assortment of non-domestic seafood species is also crucial. The eye-catching appearance of packed products is considered important.

Table 16. The key fish processors/importers/distributors in Estonia:

Company contacts	Description
Spratfil AS Tel: +372 6737330 www.spratfil.ee	The company is a modern fish processor in Estonia exporting over 90% of products to Germany, Finland, Denmark, Sweden, etc. The Product range includes fillets, smoked and fried fish products.
Japs AS Tel: +372 445 9600 www.japs.ee	The company is a fish processing factory from 1992 and processing fresh water fish like pike-perch, pike, perch, cod and Baltic herring.
Freshrex Group OÜ Tel:+372 4473 620 www.freshrex.ee	An Estonian fish processor providing fish processing, production and freezing services. Products are marinated herring, rollmops, herring fillets.
Katanter Fish Trading Company Tel: +372 6008995 www.fish.ee	International fish trading company supplying retail and Horeca sector. Supply wide range of fish products and has its own freezing and salting plant.
M.V.Wool AS Tel: +372 622 4435 www.mvwool.ee	The company is a producer and distributor of fish products. They supply fresh, frozen products and export to number of countries.
Ösel Fish OÜ Tel: +372 45 44221 www.oselfish.ee	The company is a fish processer, producer and distributor. Their product list includes about 80 different fish products and is the supplier of local market.
Maseko AS Tel:+372 626 4450 www.maseko.ee	The company produces canned fish, salted, smoked fish products, different preserves, etc. They export products worldwide and are actively taking part in international fish exhibitions.

Source: UKTI

2.2. The Retail Channels

2.2.1. The Retail Channels in Lithuania

There are four main retail chains operating in Lithuania: MAXIMA, RIMI, IKI, NORFA. The first two (MAXIMA and RIMI) have developed a concept of supermarkets and hypermarkets, while IKI operates a network of smaller stores, aiming for quick and convenient shopping. NORFA positions itself as a chain of more affordable products and in most cases its shops are located further from the city centre. There are several other players in the market: AIBE – a chain of shops in small towns and villages, offering more affordable products; EXPRESS MARKET – a small rather new chain of small shops in the major cities of Lithuania, offering small selection of convenience products; LIDL – plans to enter the market and currently is purchasing land with an aim to develop shops in the major cities in Lithuania; FRESH MARKET – a newly established chain of ten food and convenience products stores across Lithuania; PRISMA – operating three shops in Lithuania and considering expansion.

Over the last yeast IKI, RIMI and MAXIMA have expanded their fresh chilled fish sections, and currently offer a rather broad variety of fish, including both most common kinds as well as not so popular and more exotic ones.

Table 17: Major mainstream retail chains in Lithuania

Company contacts	Description
MAXIMA www.maxima.lt	Turnover (2012) - EUR 1,323 million Number of employees - 16,323 Number of stores - 225 in Lithuania, 499 in total. Stores type - neighbourhood stores; supermarkets; hypermarkets; cash & carry; Online shop. Product range - from food to household goods and clothes; products of different price range – from cheaper to more exclusive ones. Also offers several own brands, including a brand for cheaper products; well-priced main product group; eco products; also in-shop produced food. The MAXIMA offers around 65,000 names of goods. Other information - operates in Lithuania, Latvia, Estonia, Bulgaria, and Poland. Has acquired a Spanish retail chain Supersol in 2012. It is the largest Lithuanian capital company and the largest employer in the Baltic States.
IKI www.iki.lt	Turnover (2012) - EUR 550 million Number of employees - 8,254 Number of stores – 240 Stores type - neighbourhood supermarkets and smaller stores. Product range - a variety of convenience goods

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	including several groups sold under own brands: well-priced main product groups; cheaper products; exclusive products line; local farmers' produce; in-shop produced food. Other information - the first company to introduce loyalty programmes, self-service checkout, fast service checkout system, and create eco-friendly shopping bags. Has been operating a chain of shops in Latvia, but has recently sold them.
RIMI www.rimi.lt	Turnover (2012) - EUR 214 million. Number of employees - 2,604 Number of stores – 38 Stores type - supermarkets and hypermarkets Product range - from food to household goods and clothes; products of different price range – from cheaper to more exclusive ones. Offers a number of products under own brands: exceptional quality food; affordable price products; ecological products; several cheaper brands. Other information - Rimi Baltic operates shops in Lithuania, Latvia, and Estonia. Since 2006 it is subsidiary company of ICA AB.
NORFA www.norfa.lt	Turnover (2012) - EUR 390.6 million Number of employees - 3,143 Number of stores – 132 Stores type - five store types: S, L, XXL and Hyper. Product range - a variety of food and convenience goods, including several groups of products sold under own brands: affordable products in each category; milk products; a number of produce by their own production facilities; sweets, juices, pickled vegetables, mustard, jams, and other by own production facilities; frozen fish and fish fingers; nuts and dried fruits; and other. Other information - Norfa's affiliate company Rivona is an importer and supplier of goods for Norfa, also manages logistics, international transportation, real estate rentals and other. Rivona also owns two manufacturing companies: Alytaus Pieninė (dairy) and Alytaus Konservai (producer of 90 kinds of products, including sweets, juices, pickled vegetables, jams, and other).

Source: UKTI

2.2.2. The Retail Channels in Latvia

Regarding the retail channels, Maxima, www.maxima.lv, and RIMI, www.rimi.lv, retail chains have a major share of food and drink market in Latvia. The general trend in the market is convergence amongst the players. Thus, for example, Lithuanian food store chain IKI, www.iki.lv, decided to sell their network to Latvian company MEGO, www.mego.lv. After the merger MEGO will become a quite important player in the food and drink market in Latvia.

Table 18: Major hi-end, high quality retail outlets in Latvia

Company contacts	Description
MC^2 www.mc2.lv	The most expensive food store in Latvia. The company which operates it also has their own supply division which supplies HORECA sector and other supermarket chains. The name of the company is Reaton, www.reaton.lv.
SKY www.sky.lv	Relatively small food store chain of 4 stores, definitely upper intermediate product range. They also have their own purchase company which supplies their own stock.
STOCKMANN www.stockmann.lv	Quite popular supermarket in the excellent location in a very centre of Riga city, also has a very broad range of high quality products.
RIGA CENTRAL MARKET www.rct.lv	Speaking about fresh, chilled and smoked fish products, it is the leader retailer. Market offers a very wide range of seafood products.

Source: UKTI

Other famous retail companies that provide seafood products to the shops and HORECA are:

Viciunai – LAT, www.viciunaigroup.eu
Salas Zivis – www.salas-zivis.com
Zila Laguna – www.zila-laguna.lv

Taking into account that Latvia has 500 km long coastal line, the seafood products are very well perceived. Latvia is expecting that one of the most adored fish, the river lamprey, prepared in very ancient way, will achieve EU certificate of traditional and regional product.

2.2.3. The Retail Channels in Estonia

The Estonian retail structure is highly developed and the trend is to widen the network of supermarket/hypermarket chains. About 70% of food is sold in modern retails formats of which 18% are hypermarkets, 30% supermarkets and over 20% discount stores. The total turnover of retail sale was 3.9 billion EUR in 2011 in Estonia.

Table 19: Major mainstream retail chains in Estonia

Company contacts	Description
ETK Group www.etk.ee	Number of stores:558 stores. Largest portfolio in Estonian retail. Comprises 19 local consumers co-operatives,

	bringing together over 83,000 owners. Store type: Hyperpermarkets, supermarkets, convenience stores. Product range:ETK's Säästu private label was launched in May 2005 Best practices: 1.Strengthening the co-operation between chains and co-operatives; 2. Intensifying information and commodity flows; 3.Increasing effciency; 4. Using information more effectly; 5.Developing best practice strategies.
Rimi Eesti food www.rimi.ee	Number of stores:84 stores. Store type:Hypermarkets, supermarkets, discount stores. Product range:Focus on quality and freshness. Best practices: A Rimi Hypermarket contains around 40,000 SKU's and offers a strong fresh food offer combined with non-food.
Selver www.selver.ee	Number of stores:41 stores. Subsidary of AS Tallinna Kaubamaja. Store type: Hypermarkets, supermarkets. Product range:Strong focus on convience goods. Best practices:In recent years, Selver has slepped up its marketing activity focusing on new customer loyalty programmes and driving awareness of the Köök private label brand.
Maxima www.maxima.ee	Number of stores:70 stores. Store type:Hypermarkets, Supermarkets. Product range:Quality of products at competitive prices. Best practices: In 2006, the group took the decision to convert all its existing stores into the Maxima X brand, as it attempted to roll-out the Maxima X, XX and XXX chains across all three of the Baltic States.

Source: UKTI

2.3. The Foodservice Channel

2.3.1. The Foodservice Channel in Lithuania

In 2012, the turnover of food and beverage service enterprises amounted to EUR 405 million. Compared to 2011, it increased by 5.7%, compared to 2010 – by 18.9%. In 2012, the largest turnover of food and beverage service enterprises was in Vilnius county: 173.8 million EUR, or 45.8% of the total turnover in the country (1.2% increase from 2011). In the end of 2012, 31.1% of all country's catering units and 38.9% of seats in catering units were located in Vilnius city.

The largest per-capita turnover of food and beverage service enterprises was in Neringa municipality –1,007 EUR, Palanga town municipality – EUR 667, and Vilnius city municipality – 319 EUR (national average –133 EUR).[8]

Table 20: Catering services enterprises in Lithuania

	2008	2009	2010	2011	2012
Turnover of food and beverage service activities, million EUR	417.9	331.7	316.2	363.4	398.1
Number of catering units	3,170	2,961	3,080	3,107	3,179
Number of seats in catering units, thousand	173.8	165.8	186.4	193.3	201.3
Average number of seats per catering unit	55	56	61	62	63

Source: Statistics Lithuania

Two main market trends may be noticed in Lithuanian FSE market. Larger restaurant groups are swallowing up single little cosy restaurants, whereas many newly opened FSEs are fast-food undertakings, such as money-savvy pizzerias, sushi bars, kybyn places or little bakeries. European cuisine is being pushed away by the Asian cuisine, though the best Italian, French and other classic-cuisine restaurants are still popular. Currently, there are few main FSE groups well established in the market, the largest of which are: CILI HOLDINGS (www.cili.lt), VICIUNAI RESTAURANT GROUP (www.viciunaigroup.eu) and PIZZA JAZZ (www.pj.lt).

Fast food international chains such as McDonalds, Pizza Hut or KFC have only a small share in the market but are expanding and intend to open new restaurants in the country over the coming years. Currently McDonalds operates 10, KFC 2, Pizza Hut 1 restaurant in Lithuania, however the latter two have announced about their plans to expand in Lithuania. In addition, another fast food chain Subway is about to enter the Lithuanian market in 2014.

Another trend – emphasis on exceptional cuisine and high quality food. Majority of the restaurants opened in Vilnius in Klaipeda over the last two years emphasise their cuisine and high quality of food as opposed to extensive menus or luxurious environment. The owners of these places are well known Lithuanian chefs.

[8] *Source: Statistics Lithuania*

2.3.2. The Foodservice Channel in Estonia

Number of enterprises in catering sector accounts for about 4% of the total number of enterprises in Estonia and is developing in due to growing tourism and business catering (conferences) as well as the presence and popularity of many commercial catering outlets offering affordable, mainly traditional Estonian prepared food daily during business hours.

The consumption of fish products has been decreasing year by year during the last ten years however the seafood is widely and often available in the HoReCa sector. On the other hand the awareness of the healthy part of fish food has been risen and the consumption has been stabilized.

Due to the size of the Estonian market, there are no specialised suppliers of the foodservice channels. Catering firms and restaurants purchase their products either directly from seafood processing companies or from importers/wholesalers. These supply both the retail and catering sectors.

Trout fishing is very common in Estonia. There are several restaurants and pubs located near the water, there individuals can catch their own fish and the restaurant will prepare it for them. These practices are very popular among families especially in the summer season.

The structure of places of the consumption of fish products is as follows: 78% of fish products are consumed at home; 12% - visiting friends; 10% - eating out.

2.3.3. The Foodservice Channel in Latvia

General trend for the food service industry in Latvia is to move from the prefabricated, unknown origin products to the seasonal, local and freshly processed products. Several very attractive marketing activities took place in Latvia, for example, a year long TV series named 'Looking for a Latvian Taste' where the most known Latvian chefs competed for the main prize.

Also 'Slow Food' philosophy is very well perceived in Latvia.

Table 21: Catering services enterprises in Latvia

	2010	2011	2012
Turnover of public catering enterprises, millions of EUR	323.8	341.1	420.2
Number of catering units	2,340	2,192	2,303

2.4. Key Regulations and Tariffs

2.4.1. Labelling

The Baltic States are members of the European Union, therefore the legislation that applies to food sold in the Baltics market complies with the EU food legislation.

The Directive 2000/13/EC of the European Parliament and of the Council on the approximation of the laws of the Member States relating to the labelling, presentation and advertising of foodstuffs dated 20 March 2000 (Journal of Laws No. L 109 dated 06/05/2000 as amended) sets out basic requirements for food labelling in the EU. Fish labelling legislation is specified in the Council Regulation (EC) 104/2000, which has also been implemented in the Baltics.

Labelling on all food products sold to consumers in retail and offered to catering establishments in Lithuania is required to be easy readable and understandable. Food labelling should not mislead consumers about any aspect of food product, including its nature, composition, method of manufacture, "use by" date, etc., make false claims about its characteristics or suggest that it has special features. Nutrition labelling is voluntary, unless a manufacturer is making a nutritional or health claim about the food.

Labelling on food products must contain the following information in the Lithuanian language:

- The name of the product;
- The list of components of the product;
- Net weight of the product or the number of product pieces;
- Shelf life indication ("use by" or "best before" date);
- Any special storage conditions or instructions of use;
- The name and address of the manufacturer or packer located within the EU and the country of origin;
- Detailed information about the place of origin - in the case if, in the absence of such information, the consumer would be misled about the true origin of the food product;
- Information whether a food product contains alcohol, sweeteners, sugar and sweeteners, aspartame, more than 10% polyols, caffeine and quinine or glycyrrhizin acids;
- Information whether a food product contains any of the following allergens: cereals containing gluten, crustaceans, molluscs, eggs, fish, peanuts, soybeans, milk, nuts, celery, mustard, sesame seeds, sulphur dioxide and sulphites.

Additional requirements apply to seafood:

- Commercial name of species;
- Production method used: "caught in" for wild fish, "farmed" or "cultivated" for aquaculture products;
- Catch area.

As of 13th of December, 2014, Regulation (EU) No 1169/2011 of the European Parliament and of the Council of 25 October 2011 on the provision of food information to consumers will replace the current requirements for the labelling of food products set out in the Directive 2000/13/EC and the nutrition labelling requirements of the Directive 90/496/EEC. Some of the new requirements of this Regulation include:

- Introduction of a minimum font size for mandatory information;
- Allergen labelling for foods sold unpackaged;
- Labelling requirements for food products sold via the internet;
- Country of origin labelling;

– Mandatory nutrition labelling for many pre-packaged food products.

The Regulation will apply with the exception of point (l) of Article 9(1) (mandatory nutrition declaration), which shall apply from 13th December, 2016, and Part B of Annex VI (25 specific requirements regarding the designation of minced meat), which already came into force starting from the 1st of January, 2014.

Furthermore, a health certificate issued by a government-approved veterinarian from the UK must accompany all seafood shipments to Lithuania.

2.4.2. Organic Farming

The Regulation on organic aquaculture animal (fish, molluscs, crustaceans) and seaweed production (Commission Regulation (EC) No 710/2009 laying down detailed rules on organic aquaculture animal and seaweed production) entered into force on 1 July 2010. Certification in the member States used to be based on private standards or national specifications, but the new Regulation imposes minimum criteria to be used in all countries of the European Union. The new EU logo for organic products, the "Euro-leaf" (*see picture below*), must be affixed to pre-packaged organic aquaculture products produced in the EU.

Organic products of Lithuanian origin sold in Lithuania are also certified by a Lithuanian certification body EKOAGROS (www.ekoagros.lt).

In order to determine organic products produced in Latvia from the imported ones, Association of Biological Farming has introduced the Trade Mark ' Latvian Ecoproduct'.

Regarding imported organic products, Euroleaf mark should be used in Latvia.

UK Trade
& Investment

2.4.3. Tax on food

As a member of the EU, UK suppliers are not subject to import tariffs.

VAT on food is 20% in Estonia
VAT on food is 21% in Latvia
VAT on food is 21% in Lithuania.

2.5. Tips and Useful Links

2.5.1. Associations and Public Organisations in Lithuania

MINISTRY OF AGRICULTURE OF THE REPUBLIC OF LITHUANIA	Address: Gedimino ave. 19, LT-01103 Vilnius, Lithuania Web: www.zum.lt Tel: +370 5 2391111 Fax: +370 5 2391212 E-mail: zum@zum.lt
FISHERIES SERVICE UNDER THE MINISTRY OF AGROCULTURE OF THE REPUBLIC OF LITHUANIA	Address: J. Lelevelio str. 6, LT-01102 Vilnius, Lithuania Web: www.zuv.lt Tel: +370 5 2391175 Fax: +370 5 2391176 E-mail: info@zuv.lt
NATIONAL FISH PROCESSORS AND TRADERS ASSOCIATION	Address: S. Konarskio str. 29, LT-03123 Vilnius, Lithuania Tel: +370 5 2161626 Fax: +370 5 2161626 E-mail: akvavyt@takas.lt
FISH PRODUCTS AUCTION OF KLAIPĖDA	Address: Nemuno str. 40B, LT-93277 Klaipėda, Lithuania Web: www.zuvuaukcionas.lt Tel: +370 46 365657 Fax: +370 46 365657 E-mail: zuvu.aukcionas@gmail.com
LITHUANIAN ASSOCIATION OF MANUFACTURERS OF FISH PRODUCTS	Address: Nemuno str. 42, LT-93277 Klaipėda, Lithuania Tel: +370 46 345045 Fax: +370 46 345045 E-mail: lfpa@takas.lt
BALTIJOS ŽVEJAS - ASSOCIATION OF FISHERMEN AND FISH PROCESSORS	Address: Nemuno str. 40B, LT-93277 Klaipėda, Lithuania Tel: +370 46 341141 Fax: +370 46 341141 E-mail: baltzvej@takas.lt
LAMPETRA – ASSOCIATION OF LITHUANIAN FISHERY COMPANIES	Address: Lietuvininkų str. 26-3, LT-99179 Šilutė, Lithuania Tel: +370 441 52289 Fax: +370 441 52289 E-mail: info@lampetra.w3.lt

Source: UKTI

2.5.2. Associations and Public Organisations in Latvia

MINISTRY OF AGRICULTURE	Department of Fishing Industry Address: 2 Republic Square, LV-1981, Latvia Web: www.zm.gov.lv Tel: +371 67 027 820 E-mail: zm@zm.gov.lv
VETERINARY AND FOOD BOARD	Address: 30 Peldu Street, LV-1050, Latvia Web: www.pvd.gov.lv Tel: +371 67 095 230 E-mail: pvd@pvd.gov.lv
CANNEDFISH, LATVIAN FISH PROCESSING UNION	Address: Web: www.cannedfish.lv Tel: +371 29 135 899 E-mail: imants.cirulis@cannedfish.lv
LATVIAN FISHERIES ASSSOCIATION	Address: Web: N/a Tel: +371 22 314 975 E-mail: zv.flote@dtg.lv
NATIONAL FISHERIES PRODUCTION ASSOCIATION OF LATVIA	Address: Web: N/a Tel: +371 22 314 975 E-mail: zv.flote@dtg.lv

Source: UKTI

2.5.3. Associations and Public Organisations in Estonia

MINISTRY OF AGRICULTURE	Address: Lai st 39// Lai st 41,15056 Tallinn, Estonia Web: www.agri.ee Tel: +372 625 6101 E-mail: pm@agri.ee
AGRICULTURAL REGISTERS AND INFORMATION BOARD	Address: Narva rd 3, 51009 Tartu, Estonia Web: www.pria.ee Tel: +372 737 1200 E-mail: pria@pria.ee
VETERINARY AND FOOD BOARD	Address: Väike-Paala 3, 11415 Tallinn, Estonia Web: www.vet.agri.ee Tel: +372 605 1710 E-mail: vet@vet.agri.ee
VETERINARY AND FOOD LABORATORY	Address: Kreutzwaldi 30, 51006 Tartu, Estonia Web: www.vetlab.ee Tel: +372 738 6100 Email: info@vetlab.ee
MINISTRY OF ENVIRONMENT	Address: Narva mnt 7a, 15172 Tallinn, Estonia Web: www.envir.ee Tel: +372 6262 802; Email: keskkonnaministeerium@envir.ee
ENTERPRISE ESTONIA	Address: Lasnamäe 2, 11412 Tallinn, Estonia Web: www.eas.ee Tel: +372 6279 700 Email: eas@eas.ee
ESTONIAN TAX AND CUSTOMS BOARD	Address: Lõõtsa 8a, 15176 Tallinn, Estonia Web: www.emta.ee E-mail: emta@emta.ee

Source: UKTI